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The Nation's Business

Newfoundland Seeks Way Out of Paper Mill Entanglement

Two Groups Now After Control

Mill Itself Has Fine Possibilities

NEWFOUNDLAND, Canada's sister Dominion and nearest British neighbor, is now in a real quandary as a result of the situation created by the desire of the Sir W. G. Armstrong-Whitworth Company, of Britain, to sell its subsidiary, the Newfoundland Power and Paper Co.

The Armstrong-Whitworth Co. is in financial difficulties and can not nurse its baby; the Newfoundland company cannot pull through itself without financial assistance; if the Armstrong-Whitworth people do not put up the cash to meet the bond interest, Newfoundland must, because of a guarantee it has given; Newfoundland does not feel that it can afford to add this interest to its present annual expense. This is the prologue of the story, very briefly told. Enter the hero, or the villain, in the form of the International Paper Company, which agrees to buy out the company, relieve the Newfoundland government of any interest charges and make a success of the enterprise if (and it is a big if, big, perhaps, for bargaining purposes) the Newfoundland government will grant it very extensive concessions of timber and water power in Newfoundland and Labrador. International Paper seeks 12,000,000 acres in new grants, an area as great as Nova Scotia! "Preposterous" is the word Premier Munroe uses to describe the offer, but Premier Munroe also is probably bargaining. Now a Canadian group (as yet not publicly named) is after the plant and is prepared, we are told, to offer better terms to Newfoundland.

* * *

THERE is very good reason to believe that out of the various negotiations Newfoundland will be able to get new and stronger interests in the enterprise, be relieved of its financial burden and have a busy industry, continue busy, and all at fair cost.

One must not assume that the difficulties of the Newfoundland Power and Paper were due to any lack of strategic location or to any weaknesses in newsprint production in Newfoundland. The reasons for failure have nothing to do with Newfoundland itself. The chief trouble has been the fact that the original cost of the mill was allowed to run beyond reasonable bounds. It has been necessary for the parent company to supply new capital and this it has been able to do only with the utmost difficulty. Owing to inaccurate estimation of construction costs, the company began business with a burden of £8,404,000 of debt, apart from bank loans. This debt was made up as follows:

£1,000,000 6 per cent., first mortgage debentures.

£2,000,000 4½ per cent. debentures guaranteed by Britain.

£2,000,000 5½ per cent. debentures guaranteed by Newfoundland.

£1,350,000 5 per cent. income debentures.

£2,054,000 5 per cent. debentures secured by townsite.

With the general curtailment in operation of newsprint machines all over the United States, Canada and Newfoundland, to make way for the production of new mills, the Newfoundland company has not been able to finance itself and has had to call for more money. The nearly bankrupt Armstrong-Whitworth Company could not supply it and thus the present situation arose.. Armstrong-Whitworth itself stands to lose £2,914,421 that it put into the deal, part of which may be represented by the issues above referred to.

* * *

IT IS admitted that Newfoundland Paper is a good company in itself. J. Frater Taylor, a well-known Canadian accountant, formerly of Sault Ste. Marie, who has been chosen by British bankers to work out the destinies of the Sir W. G. Armstrong-Whitworth Company, said at the annual meeting in London on June 9:

"It is particularly unfortunate that we are confronted with these circumstances, because in the month of March last, on full production, the management had rendered a good account of itself in the matter of newsprint cost, the cost per ton of newsprint produced being the lowest yet attained, and, in the opinion of those responsible, comparable with the cost obtainable by the best Canadian mills."

And again:

"I may add that, in the opinion of experts, the Newfoundland enterprise is capable of being put on a solid basis by some group which is able to bring to it the necessary additional financial resources and timber reserves and to utilize to the full the present over-developed water power."

* * *

THE extent of Newfoundland's bond guarantee is such as to make it a matter of serious concern to Newfoundland. The British and New-

(Continued on page 4)

Fear Damage to Credit of Canada if C. N. R. Bond Decision Delayed

Delay by Government in Reaching Agreement is Criticized

STATUS IS UNKNOWN

Holders of C.N.R. Income Charge Debentures Do Not Know Their Exact Position

Lack of action on the part of the Dominion government in bringing about a definite understanding of the status of the Canadian Northern Railway 5 per cent. income charge convertible debenture stock, which matures May, 1930, has begun to reflect itself in the English press. Of the total amount of this stock outstanding, approximately seventy per cent. is held in the Old Country and the opinion is being freely expressed over there that the government is not acting fairly with the stockholders. While it is recognized that the treatment meted out to the Grand Trunk shareholders was fair under the circumstances, yet the damage done to Canadian prestige in England has cost the country millions of dollars and it is felt that unless some definite action is taken in regard to the C. N. R. income debentures a similar situation will arise. Apparently the Britishers are much exercised over the government's unwillingness to speak on the matter. They feel they should not have to wait until 1930 to find where they are at.

Ranks as a Mortgage

The history of this stock goes back over a period of many years. It was issued by the Canadian Northern Railway Co. in the years 1910, 1911 and 1912, at which time the company was owned and controlled by the Mackenzie & Mann interests and not by the Dominion Government. It was admitted by the holders that this stock was not guaranteed by the Dominion Government, nor was it issued with special governmental authority. The stock, however, was secured by a mortgage on all the properties of the company, excepting land grants, and ranked next to securities issued before that time and guaranteed either by the Dominion or one of the provinces. Thus on some parts of the property, the income stock is a third charge, on others fourth, fifth and sixth. It was also set forth in the trust deed that an accounting should be given to the shareholders every six months of the earnings of the company available for the payment of interest. It further stated in the prospectus covering the first issue in 1910, that it was intended in future to amalgamate the railways of the Canadian Northern, either by lease, purchase or otherwise, into one great corporation.

Amalgamation Uncompleted

The shareholders' committee claim that the amalgamation of the railways of the Canadian Northern system was never carried out. Therefore the Canadian Northern Railway remains a separate entity. After 1914, the accounting system covered the Canadian Northern Railway Co., and that of separate entitites, whose purchase had been separately financed. Thus it was not possible to tell when the Canadian Northern Railway Co. proper was earning sufficient to meet interest requirements on the income debentures, and it is claimed that part of the earnings were used to bolster up the weaker railways which had been acquired, but which had never been amalgamated with the Canadian Northern Railway Co.

Interest was regularly paid on the income debenture stock up to November 2, 1914, but from that time on payments lapsed, the company claiming that earnings were not sufficient to meet interest requirements. This situation continued until 1918, when the government took over the Canadian Northern and other lines and created the Canadian National system. Since then earnings of all lines under this system have been reported collectively and there is no way of finding out, without an exhaustive investigation, what part of the revenue of the Canadian National system has been and is derived from the Canadian Northern lines.

Propose Settlement

Negotiations were carried on by the committee with the Dominion government for some time in an endeavor to secure a statement of the earnings of the Canadian Northern Railway Co. from 1914 to date, and also to get a definite statement as to what steps would be taken for the retirement of the issue at maturity. In October, last year the Dominion government, through Sir Henry Thornton, proposed a scheme of arrangement, whereby the income debenture stock was to be exchanged for new stock carrying interest as from May 6, 1930, at the rate of 4½ per cent. per annum, payable half yearly, the first payment to be made on November 6, 1930. The new stock was to be payable at par on

(Continued on page 13)

Little Chance Now of Distillery Merger

No more discussion is heard these days of the merger of Hiram Walker's and Gooderham & Worts, two distilleries with which H. C. Hatch is connected. It is now definitely assumed, that the merger is "off," as previously stated in The Post.

The only real reason that ever existed for a merger was Mr. Hatch's dual connection. Now that a separate executive has been appointed for each and Mr. Hatch is not actively running the companies, the situation has changed.

Loblaw Likely to Report $2.97

Loblaw Groceterias in the fiscal year ended May 31, earned approximately $2.97 on each share of common stock, according to preliminary figures of earnings for the year.

The gross turnover of the company has been in the neighborhood of $11,000,000 and net profits, before provision for taxes, have been about $600,000, or about 5½ per cent. Taxation will require about $40,000 and preferred dividends $41,071. There are 174,000 shares of common outstanding.

A number of new stores are to be opened in the near future, it is announced. In Toronto there is one on Gerrard St., one on Broadview Ave. and one at Yonge St. and Belsize Drive. Another is soon to be opened in Hamilton. Other new stores will be in Niagara Falls, Windsor, Brockville, Belleville, Barrie and Lindsay.

There will be no increase in the dividend rate on Loblaw's, according to authentic information. The rate is 25 cents the quarter, but there was an extra 25 cents paid in the latest quarter.

The company is spending $750,000 on a new warehouse on Fleet St. at Bathurst St., Toronto. This enterprise, it is stated, will preclude an increase in the dividend rate for some time, as it is improbable that new capital will be sought.

Hiram Walker Will Pay Dividend Soon

It is believed that the directors of Hiram Walker, Ltd., will declare a dividend on the stock of the company at the meeting in July.

On the basis of the earnings of the old company, the new stock has been earning at least $3.75 the share. Earnings have been increased materially under the new management, it is stated, so that a dividend is to be expected. It was stated in a recent issue of The Financial Post that a dividend was in the offing.

The amount of the dividend has not been determined, according to directors of the company. The street has been predicting a $3 rate, but it is probable that a smaller rate will be established for the balance of this year at least.

Stock Market Nervous; Afraid of Own Shadow

The Canadian stock markets have been extremely nervous in the last week. The semi-speculative issues which have enjoyed a constantly rising value in the last several months were the severest sufferers, although such stocks as International Nickel and Brazilian showed fair resistance to selling pressure. Massey-Harris common, somewhat surprisingly, sold off several points.

The reason given for the slump in the Canadian market, coincident with sagging leaders in New York, was the marked increase in brokers' loans. But less excitable observers of conditions declared that the increase in brokers' loans was not anything to be alarmed about, because the money was not employed so much in financing margin transactions as in financing new bond issues which have not yet been digested by the investment public.

Are Fundamentally Sound

In the Canadian market, it is thought that the nervousness has been accentuated in some degree by the fact that two or three new recent issues are not digested by investors. In these cases, there has been some disappointment as to the financial statements in the prospectuses and, while the issues ultimately promise success, there is an inclination on the part of some investors to remain clear of commitments which discount the future so far ahead, where new issues are concerned.

The average investor wisely will continue to select his investments. He can do so, confidently, it is believed, because Canada is prosperous and because the industries of the country are fundamentally sound.

Business Volume at New Record

By SIDNEY B. SMITH.

OTTAWA—The index of general business in Canada, a weighted average of the physical volume of 26 factors, showed a further increase in May, attaining the maximum point in history. About 17 of the factors showed increases in the month under review with the result that the index was 139.7, compared with 136.0 in April.

In the mining section, the base metals including nickel, copper and zinc were exported in large volume, while a heavy production of the precious metals was indicated by the exports and receipts at the Mint. The export of asbestos was also of large proportions, while coal mining showed recession. After adjustment for seasonal tendencies, the production of newsprint and the export of lumber were larger than in April. May was an active month in the construction industry, as indicated by the statistics of the contracts awarded and building permits. Employment in wholesale and retail trade was greater in May than in the preceding month. External trade shows expansion in both imports and exports. Bank debits reached a surprising total, being augmented by active speculation on the stock and grain exchanges. The high point reached by industrial employment on June 1 confirms the results indicated by the index of general business presented above.

After correction for the long term trend the index was 3.82 times the standard deviation above normal compared with 3.24 times in April.

CANADA CARRIAGE MAY PAY DIVIDEND ON ITS PREFERRED

Would Give Some Cash to Carriage Factories and Cockshutt Plow

It is expected that Canada Carriage and Body Company will earn about $100,000 net this year after paying fixed charges, and may pay a preferred dividend. There is $300,000 of 6 per cent. preferred outstanding. This is of interest chiefly to shareholders in Cockshutt Plow and Carriage Factories for each of these companies owns a one-third interest in the organization. The balance of the securities ownership rests with the P. T. Legare Company of Quebec.

Canada Carriage and Body Company was formed three years ago to take over carriage factories that had been individually operated by Cockshutt Plow Company (Brantford Carriage Company) by Carriage Factories (the Alexandria plant) and the P. T. Legare Company (Dominion Carriage Company, Montreal). Each of these companies received approximately a third of the preferred stock and about a third of the common shares of the new corporation.

Two Plants in Operation

Revenue of the company is derived from the manufacture of carriages at the Alexandria plant and bodies for commercial motor vehicles at the Brantford plant.

The Montreal plant has been handed back to the town of Montreal East, which guaranteed the bonds.

Stock in the Canada Carriage and Body Company is the most valuable asset of Carriage Factories. Revenue to be derived from preferred dividends will be small but may pay some of the expenses of maintaining the company during the winding up period.

There seems now to be little disposition to keep Carriage Factories alive. Its earning power is gone; the company seems beyond the possibility of rehabilitation.

The Orillia plant is virtually idle although some portions of it are leased occasionally to small manufacturing companies. It is for sale if a purchaser can be found. There is some land at Brockville that is also for sale. If these assets could be disposed of, the company would likely be wound up and its assets distributed. The preferred shareholders would get something. The common stock has neither book, market nor actual value.

Was Once Important Stock

Carriage Factories has never been thoroughly successful since it was founded as merger of various Canadian carriage plant.

The buggy and cutter business has almost vanished and the company has never been able to adjust itself to new lines of production. The war which brought big orders, did not bring big profits. After the war an attempt to build bodies for automobile manufacturers proved a fiasco when one of the chief customers was forced through reorganization. Step by step, the company has gone down hill and its common stock, which at one time was a favorite trading factor on the Montreal Stock Exchange has lost its value.

First Gun Booms in Big Battle to Remove Besco's Management

Storm-Centre

Roy M. Wolvin, president of British Empire Steel Corporation, may be regarded as the storm centre in the present fight between National Trust Company and the Besco management. The trust company is seeking elimination of Wolvin and Wolvin management. On the other hand, Mr. Wolvin seeks a continued

opportunity to show what he and his associates can do for the organization. Mr. Wolvin started his career in Great Lakes shipping, where he won a high reputation. His connection with Canada Steamship Lines brought criticism down upon him. Since he has been running Besco, he has had no easy row to hoe but has won admiration for his resourcefulness and courage under fire.

National Trust-Besco Snarl Means Eventual Battle For Control

OPPOSING PLANS

Royal Trust Now Associated With National Trust and Opposing Managements Plans

From Our Own Correspondent.

MONTREAL.—The battle leading to the reorganization of Besco has begun with the Wolvin interests lined up on one side and the National Trust on the other. The Royal Trust is lined up with the National Trust for the Royal Trust is representing a substantial number of second preferred shareholders who are opposed to the plan submitted by the Besco management, upon which the shareholders will vote in July.

The fight at present in progress seems to be the first rattle of musketry in war which may, or may not, result in ousting the present management of Besco from their position.

It is the sincere intention of the National Trust to bring about a reorganization along lines which it believes will be in the best interests of all the various security holders of Besco and its subsidiaries.

The Besco management desires to be left alone to work out the salvation of the corporation along lines which it deems best. The present snarl is confined to the projected capital reconstruction which has been proposed by the Besco interests.

The National Trust company as trustee for the bond holders of the Dominion Iron holds $6,000,000 of par value second preference shares of the corporation and, as a second preferred shareholder is opposing the projected changes in the capitalization which, say the National Trust, will increase the percentage of shares which the management holds in the corporation.

The Besco management says that the first preferred shareholders are being asked to forego just as much of their rights as are the second preferred in the proposed capital change. The Besco management also makes the point that the National Trust will find it a difficult thing to represent the best interests of both the bond holders of Dominion Iron and also the holders of the equity of that company, namely Besco.

The whole affair is involved. Should the National Trust be successful in its effort to prevent the reconstruction of the capitalization at the forthcoming shareholders meeting in July, there seems little doubt, in fact no doubt, that afterwards attempts will be made to oust the present Besco management.

The National Trust has not been able to offer any alternative plan of reorganization to the shareholders. The reason is, say the National Trust, that no suitable reorganization is possible until the affairs of the corporation are taken out of the hands of the present management. While this has not actually been said by the trust company, it is the obvious inference from the letter sent to the second peferred shareholders asking for proxies.

The Besco management feels that up to the present it has had the confidence of the majority of its shareholders and that it should be allowed to work out its own salvation in its own way without outside interference.

Whether the second preferred shareholders will vote with the Besco management or with the National Trust at the forthcoming meeting probably depends

(Continued on page 4)

KELVINATOR PLANT OPERATIONS AHEAD OF LAST SEASON

Orders on Hand Will Keep Company Busy for Some Time

Operations at the London plant of the Kelvinator Co., of Canada during the past few months have been on a much wider scale than those prevailing at the same time a year ago. Kelvinator, Leonard and Nizer equipment is being turned out rapidly and were it not for the difficulty experienced in receiving sufficient supplies of materials to keep the plant operating at capacity, the number of machines manufactured this year would be several times production in 1926. As it is, however, more orders have been filled in the last four months than probably at any other time since operations commenced and the number of unfilled orders on hand assured steady production for some time to come.

At present orders being received by Kelvinator are about half domestic and half foreign. In referring to the demand for Kelvinator products, J. B. Goss, general manager, said to The Financial Post: "The public are more fully aware of the value of electric refrigerating equipment, and consequently orders received by us from the domestic market, England, and other parts of the British Empire, have kept piling up and we have been kept busily engaged in keeping production up to schedule. During the past month, orders received were from three to four times the number received in the same month last year. The percentage increase, however, has no particular significance, as last year we were only getting into our stride, but it is noteworthy that increasing plant operations have not shown any tendency to slack off."

Export Demand Good

Delivery on new orders has been held up somewhat, owing to the difficulty experienced by the Canadian plant in receiving special materials from the parent plant in Detroit. The American company has also been experiencing the same flood of orders as the Canadian plant and both companies have been hard put to keep up with the demand. Another drawback to production was the cutting off temporarily of the supply of special timber from the Southern States, used in the construction of refrigerators and the ice cream freezers. This obstacle has since been overcome and Mr. Goss is of the opinion that materials will come forward on schedule in future.

Buying on export account has been keeping up well. The recent large order for 2,500 refrigerators, received from a London, Eng., builder, is rapidly nearing completion. Arrangements are now under way whereby a trial shipment of Kelvinator machines will be made to Australia, dealers in that country having expressed a keen desire to handle the products of the company. Should this shipment prove profitable, it is expected that a large and important trade will develop with the Antipodes.

PUBLISH DAY EARLIER

Because of the long holiday in connection with Canada's birthday celebrations The Financial Post will next week publish one day early, appearing on Thursday instead of Friday.

Investor's Index

Asbestos Corp.	11	Inter. Paper	6-32
Besco	1	Kelvinator	1
B. C. Fish	8	Loblaw	1
Brooks Motor	12	Muirhead	5
Can. Canners	4	Mar. Elec.	9
Carling	16	Maple Leaf	4
Canada Dry	16	N. S. Steel	11
Can. Carriage	1	Nat'l. Drug	14
Carriage Fac's	1	Ontario Steel	14
Dom. Combing	16	Pure Food	9
Dom. Textile	3	Quebec Southern	4
Dom. Engineer.	9	Sterling	13
H. Walker	1-9	Std. Reliance	13
Hudson Bay	4	Wpg. Elec.	10

MINES

Amulet	34	Hollinger	33-35
Argonaut	36	Inter. Nickel	33
B. C. Silver	33	Mond Nickel	33
Conroyal	36	National Silver	33
C. W. Dome	36	Noranda	35
Duprat	34	Ontabec	35
Fiske	35	Ribago	33
Harvie	33	Towagmac	34

REGULAR DEPARTMENTS

Banking 31
Bond Market 12
Business Review 2
Editorial 10
Investment Service 11
Pulp and Paper Investments 6
Women's Investments 11
Insurance 30

SPECIAL SECTION

Featuring London as Financial Centre of Western Ontario 17-28

SPECIAL FEATURES

Beaverbrook Reaches New Peak in Power 3
McLimont Brought Winnipeg Electric Back to Prosperity 10
Smooth Young Crook Fleeces Britishers in Canadian Stocks 11
First Article in a New Series on The Finances of the Canadian National Railway 14
Financing the Dominion 29

Background of Canadian Business

By JOHN E. LANGDON, Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

No Change in Business for Month Just Ahead is Expected
New Building Undertaken Ahead of Same Period Last Year
Iron and Steel Output in May Substantially Increased
April Automobile Production Continues Above Average
Export Trade in April and May Up Thirty-Six Millions

WHILE all details are not available in respect to conditions as affecting fundamental factors in trade and commerce during the first half of the current year, it is apparent from preliminary reports issued from month to month that business in Canada has been well maintained; in fact, it may be said to have been slightly greater than in the corresponding half of last year. One of the principal contributing causes to this prolonged period of sustained prosperity, has been the steady and ample supply of credit available on easy terms. Although commercial loans from banks have not high rates when consideration is taken of the large volume of business being handled, the money has been available at comparatively low rates.

The next two months will probably see a seasonal construction in certain lines, but it is not anticipated that primary conditions will undergo any marked change for some time to come. Commerce and manufacturing are going forward in exceptionally steady fashion and they promise to continue in about the same way in the months just ahead. The crop situation, which was not at all favorable three weeks ago, has taken a turn for the better and recent reports, especially from the West, have been very encouraging. Acreage in Saskatchewan and Manitoba will be less than last year, but taking the situation as a whole, prospects are that the yield will on grains will be higher so that the smaller acreage will be counterbalanced.

New Building on Upgrade

Volume of new building undertaken in the Dominion continues on the upgrade and the work now in progress together with work in contemplation, are sufficient guarantees that this most important industry will continue to be a supporting force in general business activity during the balance of the year. During the past month, the value of new building permits issued by 63 cities was higher by 16.7 per cent. than in April, 1927 and by 11 per cent than in the same month a year ago. The value of authorizations amounted to $20,532,147, which is the highest recorded for this particular month since the record was started in 1920. The aggregate for the first five months of the current year, amounting to $62,973,761, was nearly 5 per cent. greater than in 1926, the previous high level of the record.

It is noteworthy that despite the absence of any unusually large contracts, the value of new building has exceeded last year's figures. This may be taken to indicate that residential building is increasing, while apartments, small business blocks, etc., are more numerous. Several large engineering projects were started last fall and are still in course of completion. Plant construction, which was so outstanding last year, is not so pronounced at present, but if only a small percentage of the prospective work is actually carried out, the totals for all divisions of building constructions in 1927, will come close to approximating the high mark set up in 1913 and 1914.

Iron and Steel Output Gains

Production of iron and steel for the first five months of 1927, shows a substantial advance over the figures for the corresponding period of last year. Pig iron output totalled 334,276 tons, an increase of 11 per cent. over the 310,000 tons produced during the first months of 1926. At the same time, cumulative production of steel ingots and castings amounted to 427,370 tons, an increase of 22 per cent. over the 349,907 tons produced during the corresponding period of 1926.

It is doubtful if any more satisfactory showing has been made by other primary judicators of business conditions this year. When agriculture, building, automobile, manufactures, and trade in general, last year, were experiencing a heavy volume of business, the primary iron and steel industry failed to register a corresponding improvement. The fault was laid to excessive importations from the United States and Europe. So far, however, this industry has kept pace with the increasing demands for allied lines and it is likely that complete returns for the year will show much improvement over the output figures of the past few years.

Automobile Production High

One of the principal reasons for the marked change in the trend of primary iron and steel production, has been the record-breaking output of automobiles. The number of motor vehicles turned out last year in Canada set a high record for all time, but from present indications production in 1927 will be even better. During April 24, 611 vehicles were manufactured, as compared with 21,502 in the same month last year. For the first four months, cumulative production totalled 81,265, as against 78,193, in the corresponding period of 1926.

It is noteworthy that the continued improvement in the automobile industry, has not been due to an increase in foreign buying, but rather to a great demand from the domestic market. This in turn has been brought about partly by more prosperous conditions combined with the general adoption of the deferred payment plan which has opened up a wide market. Last year, Canadians purchased over 100,000 new cars, or at the rate of one for every hundred people. Whether or not this rate of consumption can be maintained during the current year is open to doubt, but the fact remains that the increased output is being absorbed without any apparent trouble.

External Trade Expanding

The general improvement in conditions is reflected in our growing external trade, which in the two months ended May 1 shows an increase of fifty millions over the corresponding two months of last year. Exports and imports are shown at $168,710,067 and $198,702,394, making a total of $358,412,461, as compared with $307,849,853, of which imports amounted to $153,855,506 and exports $153,995,347. in April and May of last year. Thus, the favorable balance of trade has increased from slightly over $100,000 to $21,000,000.

Of this increase in total trade in these two periods, amounting to about $51,000,000, practically thirty-six millions is represented by growth in exports. The heavy cut in the favorable balance of trade during the last fiscal year, led some to believe that export trade was definitely on the downgrade. The fact was overlooked that our best customer, the United Kingdom, was not in a position to purchase Canadian products beyond absolute necessities, until its internal trade had been adjusted following labor troubles. Meats, flour and other foodstuff imports were heavily curtailed, but renewed buying in the past three or four months is indicative of improved conditions.

Michigan farmers are coming to Western Canada in force this year, says F. W. Kerr, Canadian government emigration agent at Detroit.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest This Year	Latest Last Year	To Date This Year	To Date Last Year
Production—				
Pig iron, tons (May)	78,987	72,762	334,276	300,010
Steel, tons (April)	96,911	89,513	427,370	349,907
Newsprint cwts. (May)	171,819	153,969	826,083	735,152
Automobiles (April)	24,611	21,502	81,892	78,193
Boots and shoes, pair (April)	1,566,750	1,426,578	6,272,436	5,634,653
Flour, bbls. (Feb.)	1,231,000	1,440,000	2,727,000	2,862,000
Construction—				
Contracts awarded (April)	$38,582,300	$37,292,000	$92,336,700	$83,218,000
Building permits (May)	$20,532,147	$18,504,296	$62,973,761	$60,042,369
Labor—Employment index (May)	100.6	94.3	....	....
Transportation—				
Car loadings (to June 11)	62,711	62,324	1,389,875	1,300,838
C.P.R. gross (April)	$15,121,289	$13,856,101	$58,357,298	$54,201,059
C.P.R. net (April)	2,253,588	2,149,639	8,716,216	8,680,706
C.N.R. gross (April)	$21,776,705	$20,278,871	$84,289,166	$79,825,976
C.N.R. net (April)	2,810,833	2,735,613	10,654,464	10,200,928
Population—				
Emigration (April)	6,225	....	21,516	.....
Immigration (March)	20,271	15,229	29,956	21,949
Trade—(May)—				
Imports	$94,412,439	$86,052,253	$432,839,530	$395,432,375
Exports	$77,337,964	$60,166,868	$345,571,370	$394,824,744
Imports of key products (Feb.)—				
Rubber, lbs.	5,869,000	4,901,000	4,336,000	4,901,000
Cotton, lbs.	12,278,000	19,209,000	21,278,207	19,209,000
Sugar, $	2,427 990	1,309,609	2,427,990	1,309,609
Petroleum, gal.	31,052,000	38,832,000	52,222,000	38,832,000
Coal, tons (Feb.)	1,706,237	1,120,487	3,269,233	2,329,748
Exports of key products (Feb.)—				
Newsprint, (cwt.)	145,263	128,964	304,129	272,008
Automobiles (pass.) (No.) (Mar.)	6,512	8,033	15,405	17,729
Wheat, bus. (May)	28,698,115	18,971,018	89,267,495	66,503,108
Wheat Flour, bbl.	804,468	725,852	3,770,970	4,268,133
Finance—				
Failures, number, (April)	127	131	634	595
Failures, liabilities, (April)	2,279,954	2,880,479	8,986,577	9,816,537
Bank debits (April)	$2,639,971,080	$2,631,481,440	$10,152,246,224	$9,441,224,145
Bond sales (May 30)	201,237,149	254,668,046	....	....
Stock prices index (June 4)	....	....	350.1	164.1
Insurance sales (April)	$41,631,000	$37,346,000	$157,025,000	$146,480,000
Wholesale prices (1913-100))—				
General index (May)	....	....	151.9	156.8
Pig iron	....	....	143.6	144.1
Cotton	....	....	127.2	153.6
Grains	....	....	181.4	188.4
Cattle	....	....	133.9	108.5
Rubber	....	....	64.7	74.2

IRON AND STEEL PRODUCTION NEAR HALF A BILLION

All Groups in Industry Record Improvement Over 1925

Preliminary reports on the monthly production of iron and steel during the past year did not indicate any substantial advance in primary products over the previous year, but a statement issued by the Bureau of Statistics on the value of iron and steel and its products during 1926, shows a total of 496,376,260, making an increase of 23 per cent. over the output for 1925 and a higher total than in any other year since 1920. Reports were received by the Bureau from 1,134 firms in this industrial group, in which the capital invested was $592,134,860, as compared with 1,075 companies with $567,912,477 capital in the preceding year.

Plants in the iron and steel industry are classified in thirteen industrial groups according to the principal products made. All groups showed gains in the sales value of production in 1926 ranging from seven thousand dollars in the bicycle industry to nearly twenty-three millions in the automobile industry. By groups, the individual production, with percentage gained over 1925, is as follows for the year 1926:

Group	Output	% Gain
Railway Rolling Stock	$ 72,460,962	37
Machinery	38,369,454	26
Boilers, Tanks, etc.	5,320,685	17
Castings and Forgings	68,207,976	10
Agricultural Implements	31,913,734	29
Primary Iron and Steel	41,257,070	17
Sheet Metal Goods	39,190,724	14
Hardware and Tools	22,648,667	27
Auto Accessories	18,919,379	24
Iron and Steel Fabrication	11,378,851	21
Wire and Wire Goods	16,657,865	3
Automobiles	133,598,456	21
Bicycles	1,452,437	..

Imports Increase Heavily

Although production showed a marked gain in value, imports also advanced in value, having been valued at $219,575,146 during the calendar year 1926, as compared with $166,573,076 in 1925. Of this total, almost 90 per cent. came from the United States and 7 per cent. from the United Kingdom. Exports totaled $75,602,162, as against $69,356,468 in the previous year. Of this year's exports over 10 millions went to the United States; 9 millions to Australia; 8 millions to the Argentine Republic; 7 millions to the British West Indies; 7 millions to the United Kingdom; 5.5 millions to New Zealand; 3 millions to Brazil; 2.8 millions to South Africa; 2.3 millions to France and over a million each to Denmark and Japan.

FUR PRODUCTION REMAINS STEADY

Nearly 3,700,000 Pelts Taken Last Year—Values Lower

Little change is shown in the value of raw fur production in Canada for the season 1925-26, the value of which amounted to $15,072,244, as compared with $15,441,564 in 1924-25. These amounts represent the market value of the pelts of fur-bearing animals taken by trappers and from fur farms, the value of the latter constituting approximately 5 per cent. of the total value in 1925-26 and 4 per cent. in the preceding year.

Muskrat, which had occupied first place in order of value for several years, but which was displaced by beaver in 1924-25, regained its position last year with a total value of $3,014,175, while beaver was second with $2,208,855. Mink, red fox, white fox and silver fox are other pelts having a production value of nearly a million dollars or better during the past year. The total number of pelts of all kinds was 3,686,148, a decrease from the preceding season of 134,178. Average prices for most kinds of furs were lower in 1925-26 than in the preceding season, the exception being badger, ermine, mink, muskrat and raccoon, for which the average prices were higher.

Ontario Ranks First

Ontario ranks first among the provinces in order of value with a production of $3,491,512. Quebec is next with $2,250,809, followed by Alberta with $2,122,778; Manitoba with $1,869,904; the Northwest Territories with $1,625,875; Saskatchewan with $1,370,554; and British Columbia with $1,121,620. The total for the Maritime provinces was $898,389, over half of which is credited to the pelts of ranch bred animals. The production of the Yukon Territory was valued at $320,803.

During the past decade an important change has come over the raw fur market. Of the $5,100,000 worth of undressed furs exported to England and the United States in 1914, England received $3,000,000; in 1919, out of $13,000,000 worth, only $3,700,000 went to England. The English market is again, however, taking a large proportion of Canada's exports of raw furs, the latest figures showed a much larger percentage in favor of England. In addition a large and profitable market is being built up in Canada. At the close of the war, Montreal took a position as an international fur market, holding the first Canadian fur auction sale in 1920, when 949,565 pelts, valued at $5,057,114 were sold. Sales are also held at Winnipeg and Edmonton.

Foreign Grain Shipments Well Maintained; Oats Off

Despite a smaller wheat crop available for export, shipments during the crop year 1926-27 have been keeping up well with those established in 1925-26, when the crop was of better grade and more voluminous. Marketing has also been more difficult, especially in the United Kingdom, which had to curtail imports on account of labor troubles. On the continent, competition is keener than ever owing to the activity of Buffalo millers and also German millers. Some of the European countries are now putting prohibitive import restrictions on wheat flour and wheat in order to encourage home production. While this has had a noticeable effect on Canadian trade with certain of the continental countries, it is considered that the expanding Oriental market will counterbalance this drawback.

During the ten months ended May last, Canada exported 228,782,613 bushels of wheat, valued at $314,104,446, as compared with 231,458,890 bushels, worth $33,985,118 in the corresponding period of the previous crop year. Practically all of this movement took place to United Kingdom ports. Practically the same situation exists in regard to wheat flour. Exports during the ten months ended May, 1927, totalled 7,951,924 barrels, valued at $52,759,879, compared with 8,888,825 barrels, worth $59,747,162, in the preceding period. While the difference in volume is not great, value shows a marked decrease, brought about by lower prices for wheat flour.

Among other grains exported during this period, barley and rye show substantial increases, the former increasing from 21,221,622 bushels to 25,457,926 and the latter from 4,040,797 bushels to 6,646,023 bushels. It is significant to note, however, that a sharp decline took place in export of oats. In the ten months ended May, 1926, exports of this commodity totalled 24,355,561 bushels, valued at $13,163,973, while in the corresponding period this year, volume had fallen off to 5,008,636 bushels and value to $2,776,267.

Traffic through the Sault Ste. Marie, Welland and St. Lawrence canals during May was the heaviest on record.

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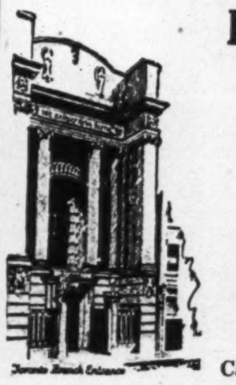

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Beaverbrook Reaches New Peak in Power; May Yet be Premier

By HERBERT N. CASSON,
Written from London for The Financial Post.

During the week, the London Daily Express opened its new publication offices in Manchester. It has now reached a circulation of more than 1,000,000 copies a day, and publishes simultaneously in London and Manchester.

This paper is owned and practically edited by Lord Beaverbrook, who is now the most eminent Canadian in Great Britain. There are about a dozen great newspapers now in London, and of these Lord Beaverbrook owns three. The mantle of the late Northcliffe has fallen upon him.

Second Now to Mail

The Daily Express was founded by Sir Arthur Pearson in 1900. It was different from the other London dailies from the start. It devoted its front page to news instead of to advertisements.

Its circulation shot up by leaps and bounds. To-day it has reached second place. It has beaten all English dailies except the Daily Mail.

In 1912, Sir Arthur Pearson was suddenly stricken with total blindness. It was then that Beaverbrook came to the front and became the sole proprietor of the paper.

He had not had any previous experience in the newspaper world. He had made his fortune in Canada, as a promoter of cement, steel and other companies. But he had determined to climb to the top in the public life of England.

The Daily Express now has a staff of more than 1,000 employees. There are 100,000 square feet in its offices. It has now become the most popular daily paper in London.

Stands for Empire

In its first leading article, it announced its policy as follows:

"Our editorial policy will be that of an honest cabinet minister—inspired by a sincere desire to do and say what may best serve our country, a resolute determination to combat influences making for national detriment. Our policy is patriotism; our party is the British Empire."

Beaverbrook has now been in England for 18 years. Ten years ago, he received his present title.

In 1910 he became a member of parliament—a Conservative. His first speech in the House of Commons was a violent one. He denounced the high Lords of the Treasury as though they were knaves or fools. He poured out a flood of invective, such as the House of Commons had seldom heard from any Conservative member.

England's Political Warwick

At that time, he was plain Max Aitken, a wholly unknown man in Great Britain. But his speech compelled a committee to be appointed. This committee discovered that his charges were well founded, and it adopted the reforms that he suggested.

That was his first victory in parliament. It gave him his standing. Since then, he has helped to overthrow two British governments. He has been the political Warwick of Great Britain, putting prime ministers up and pulling them down.

His first and best friend in England was Bonar Law, who was also a Canadian. What Colonel House was to President Wilson, Beaverbrook was to Bonar Law.

It was Beaverbrook who pulled down the Coalition government and made Bonar Law Prime Minister. He was for a time the Hidden Hand of British politics. He was the ablest of all wire-pullers and strategists.

Freeing Law of Spell

Bonar Law was undoubtedly the ablest statesman of his day. But he was unambitious. He was under the spell of Lloyd George. Beaverbrook set him free from this spell and put him at the head of a new government.

When Bonar Law died, Beaverbrook lost his interest and also his influence in British politics. He had been disillusioned. He came to England believing that British statesmen were on a high pedestal, carrying out certain immutable principles of constitutional policy.

He found that they were, for the most part, well meaning men of high character, but of third-rate abilities, and wholly dominated by a very efficient civil service.

Is Lavish Entertainer

He then turned from politics to the daily press. He found that it was more powerful than any government and what Beaverbrook wants, above all else, is power. As a practical man, he wants power to get things done.

For a time, he interested himself in horse-racing. Then he went into society. He has four large houses and entertains lavishly. But in both cases he was again disillusioned. He is not at heart either a sportsman or a social leader.

To-day he gives almost all his time to his newspapers. He is determined to be at the head of English journalism, as a means of controlling public opinion and dictating public policy.

Condemned to The Lords

He has many friends. His two best friends, perhaps, are Arnold Bennett and Tim Healey, who is now the governor of the Irish Free State. He believes that of all parliamentarians, Tim Healey was the ablest.

Beaverbrook has brains. That is why he is, at the present time, on the outside of English political life. He has little use for the House of Lords, where he is now condemned to sit. He seldom attends and never speaks. He refuses to do anything formal or futile.

He is all for efficiency and this puts him out of touch with the upper circles in which he moves. He is, in a way, the loneliest and least understood man in England.

He is still in the prime of life. He has at least twenty years work in him.

Herbert N. Casson to Write for Post

In accordance with its policy of presenting to its readers the work of the best writers on business and kindred subjects, The Financial Post offers this week its first contribution from the pen of Herbert N. Casson, noted British writer and editor of The Efficiency Magazine of London, England. Mr. Casson is Canadian-born, hailing from near Kingston, Ontario, and has made a world mark for himself in his field. He will write occasional articles for The Financial Post, chiefly on Canadian personalities in the Old Land. Mr. Casson will speak his own mind without dictation from The Post's editors. People sometimes fail to find themselves in agreement with Mr. Casson. His sizing up of Lord Beaverbrook may draw some criticism. But there is no more interesting writer anywhere. His articles are always readable and have the rare charm of simple, uninvolved style.

Traffic Through Canals in May Sets High Record

Early opening of navigation and consequent resumption of normal activities on the Great Lakes, has made for an unusually heavy volume of traffic through the Canadian canals so far this year. Traffic through the Sault Ste. Marie, Welland and St. Lawrence canals during May last, was the heaviest on record.

Reports received show that traffic through the Soo locks was heavier than during May, 1926, by 2,413,878 tons, the large increases being 1,862,919 tons of iron ore, and 916,491 tons of bituminous coal. Wheat shipments were lighter by 15,642,646 bushels and other grains by 4,176,998 bushels. On the Welland canal, the total traffic amounted to 1,040,748 tons, which was 60 per cent. more than passed through the canal in the same month last year. Rye, wheat and barley showed increases, but oats fell off. Pulpwood, upbound, and bituminous coal, all down bound, also increased. The increase on the St. Lawrence canals over last year's traffic was 349,836 tons, or 47 per cent. Rye, wheat, barley and corn showed increases, but oats were light. Iron and steel, oil, merchandise and pulpwood showed substantial increases.

Railway Traffic Volume Heavier Than Year Ago

Railway traffic as indicated by weekly car loadings report continues to be greater than that recorded in the early months of last year. During the twenty-third week of the current year, 62,771 cars were loaded on Canadian railways, as compared with 62,099 in the preceding week and 62,324 in the same week a year ago. Since the beginning of the year to date loadings total 1,389,875 cars, as compared with 1,300,838 cars in the corresponding period of 1926.

Much of this improvement has been due to the heavier loadings of coal. Lack of labor troubles in the coal fields, has enabled the operators to maintain high production and get distribution of their product with a minimum of trouble. At the same time merchandise movement has been greater and it is noteworthy, that the weekly record of loadings of this classification, have shown an increase each week this year to date as compared with the corresponding periods last year. Other classes of commodities which have reported increases this year are lumber, pulpwood and miscellaneous, while livestock, coke, pulp and paper, other forest products and ore have shown a decrease.

Dominion Textile Does Increasing Business

From Our Own Correspondent.

MONTREAL.—It is understood that the current business of the Dominion Textile Company is running ahead of the same period of a year ago, and that the volume of business on hand is sufficient to keep the plants operating at a high rate of capacity for some months to come.

No information is forthcoming regarding just when the company proposes to announce the long-heralded increase in its dividend rate, but it is generally thought increased disbursements to the shareholders are merely a matter of time.

F M. MOFFATT,
head of the accountancy firm of Moffatt, Hudson and Co., Toronto, who is now in Britain on a business trip. Mr. Moffatt was the author of the recent able article on the Canadian Bankruptcy law that ran in The Financial Post.

GROWING GRAIN CROPS MAKING GOOD HEADWAY

Earlier Sown Crops as Far Advanced as Last Year

Early reports on the damage that had been wrought on the crops of Western Canada by cold weather and usually heavy precipitation, appear to have been premature, as recent advices have been favorable. Warmer temperatures produced exceptional growth and the crops in general are making good headway. In its weekly crop report, the Canadian Pacific Railway says that seeding, excepting that required for green feed, is ended. Growth is both strong and healthy and in many districts earlier sown grain is quite as advanced as usual for this time of year. Oats and barley are up and exhibiting good stand and color. Winter rye is in head, looks well and shows every prospect of being harvested early. In some districts weeds are quite prevalent due to wet weather in early spring and the inability of farmers to get their cultivators at work at the right time. It is, however, hoped that grain will outgrow weeds with the better conditions now prevailing. Pastures show a prolific growth and stock are fattening up fast.

Following is the estimate of the 1927 wheat acreage in the Prairie Provinces, as compiled from reports gathered from reliable sources and considered conservative, as compared with the acreage in 1926.

	1927 Acres	1926 Acres
Manitoba	1,714,379	2,285,838
Saskatchewan	11,950,073	13,277,858
Alberta	5,808,698	6,114,418
Total	19,473,150	21,678,114

Fruit Prospects Excellent

In the eastern provinces, seeding of cereal crops has been delayed owing to wet weather, but expectations are for a big crop. Planting of tobacco in Ontario has proceeded vigorously on increased acreage. Potato planting in the Maritimes is proceeding and the acreage will probably be larger this year. P. E. I. potato growers, for example, have already imported 21,000 tons of fertilizer, at a cost of $500,000, or about three times the quality imported last year.

Weather conditions throughout the fruit growing provinces have been cool and wet, resulting in a backward spring which is generally eight to ten days later than normal. Blossom prospects indicate a commercial apple crop of 3,767,390 barrels as compared with 2,984,230 barrels in 1926, or 126 per cent. of 1926, or a 15 per cent. increase over the five year average of 3,279,220 barrels. Estimated in barrels for the various provinces, with the 1926 yields in brackets, are as follows: British Columbia, 1,049,870 (1,312,360); Ontario, 1,081,650 (598,700); Quebec, 105,870 (115,800); New Brunswick, 30,000 (30,000); Nova Scotia, 1,500,000 (927,370).

The 10,000,000 feet of standing timber owned by the Land Settlement Board, a couple of miles east of Creston, B.C., and immediately adjoining the Soldier Settlement Camp at Lister, has been purchased by Putman, Palmer and Staples.

Price Movements

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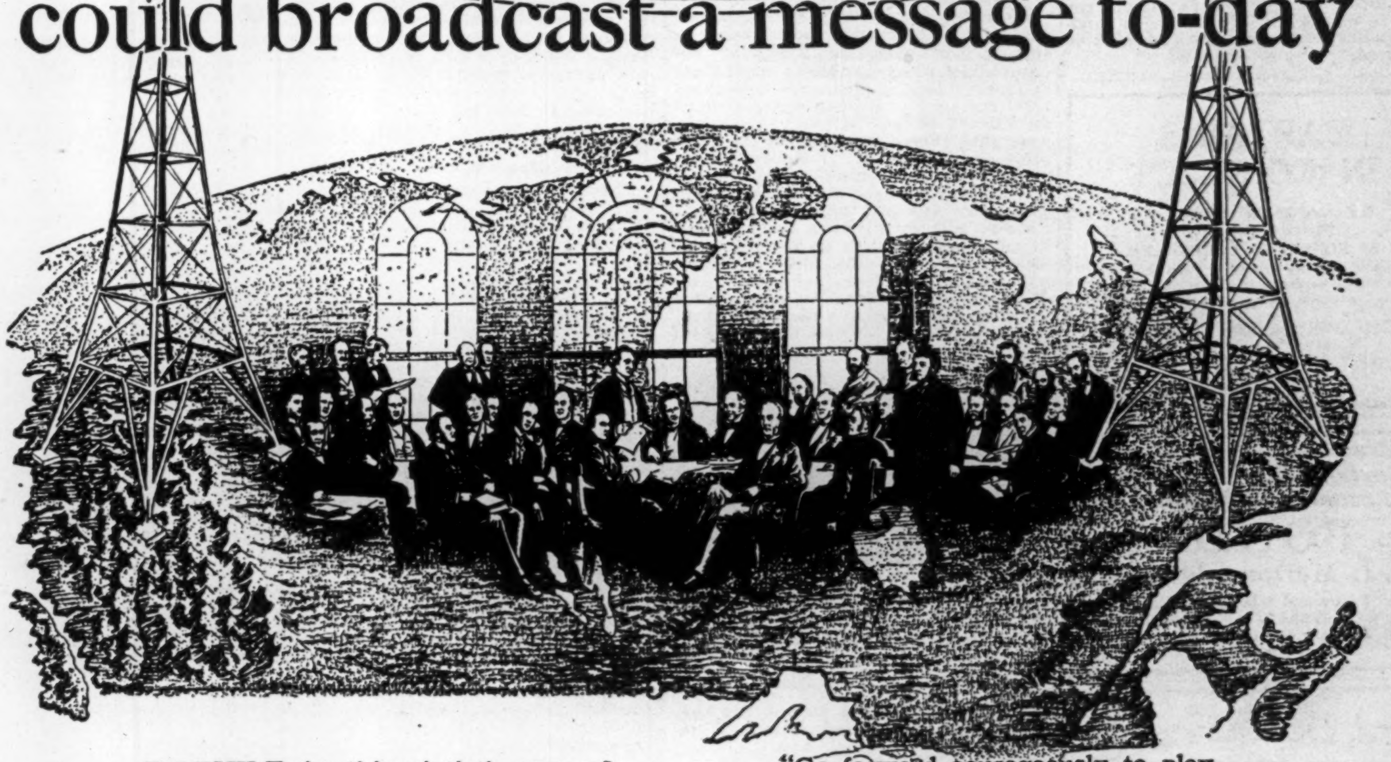

WHILE in this sixtieth year of Canadian Confederation great honor is being paid to the founders of this nation we believe that if these builders of the Dominion could return for a moment to Canada to-day, it would be to the future rather than to the past that they would direct the vision and the energy of the Canadian people.

Suppose that John A. MacDonald or George Brown or Joseph Howe or D'Arcy Magee could speak to us from our great broadcasting stations, would not their message go forth, clear and ringing through Canada's crystal Northern atmosphere in words like these:

"The past belongs to us the present and future are yours. We did but begin the tremendous task that you must carry on.

"Go forward courageously to play some part in building your nation. If the stones of the past were well laid, consider what a mighty structure may be reared on this foundation. Only as our example is an inspiration to the Canadian of today have we succeeded in setting a beacon-light before those who now occupy the field of opportunity.

"It is the ideal of constructive citizenship that we would set before you. What can *you* do for Canada?"

And it is in this spirit, as one of the institutions founded many years before Confederation, that we desire to subscribe our tribute of respect to those men who, in the face of seemingly insurmountable obstacles, bound together one great United Confederation of Provinces.

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HUDSON BAY CO.'S SALES IN STORES SHOW INCREASE

Profits Lower Because of Dislocation Due to Expansion

The annual report of the Hudson's Bay Co. for the year ended May 31, 1927, shows profit of £400,789, compared with profit of £452,110 in the previous year. The company paid 20 per cent. dividends, for year, half of which is dividend on land sales which are free of income tax. In 1926, the dividends totaled 23½ per cent. but only 3½ per cent. was from land sales and therefore free of income tax.

The report, which will be presented to the proprietors at a meeting in London, June 28th, states that the collection of furs was about the same quantity in the year just closed as in the previous year but that keen competition in the trapping areas has increased costs. It was said, however, that increased costs had been offset by better prices realized at the company's sales.

Increase in Retail Sales

The trade in the stores continues to increase, says the report, but the results for the year have been adversely affected by the dislocation inseparable from the building operations, the removal of departments and the organization of a much larger staff in Vancouver and Winnipeg.

In the twelve months ended Jan. 31, the company had sold 271,281 acres of farm lands for £669,826, compared with 163,965 acres for £417,388 the previous year. This is a reduction in the average price per acre.

Total assets of the company now stand at £11,117,796. The capital stock consists of 2,000,000 ordinary shares £1 par value, of which 500,000 were issued in the last year, and 400,000, 5 per cent. cumulative preference shares of £5 each.

Canners Preferred Goes to 5% Rate Forecast

The preferred stock of Canadian Canners, Ltd., goes on a 5 per cent. basis from July 1. The announcement was formally made this week. It was predicted in an exclusive article in The Financial Post on April 15 last.

The quarterly dividend hereafter will be 1¼ per cent. instead of the 1 per cent. rate which has prevailed. The arrears of dividend now amount to 20¼ per cent. There have been various rumors of steps to be taken by the directors to deal with these arrears, but it is improbable that anything will be done this year.

Eventually it is probable that the preferred shareholders will be offered common stock in lieu of arrears. At present there is only $2,282,412 of common stock outstanding, compared with $9,114,282 of preferred.

CAPTAINS IN CONFLICT

The story of the struggle of a business generation.

By ROBERT R. UPDEGRAFF.

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Stock Market

MARKET INDICATOR

20 Industrial Stocks

		L
Week of June 22	99.3	95.9
Week of June 15	100.8	97.0
Month of June, 1926	77.5	73.1

9 Bank Stocks

		L
Week of June 22	$249	$246
Week of June 15	245	243
Month of June, 1926	225	222

10 Public Utilities

		L
Week of June 22	113	111
Week of June 15	115	113
Month of June, 1926	95	90

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	7	1	1	9
Paper	2	8	5	15
Steel	4	17	19	40
Foodstuffs	10	21	15	46
Utilities	7	14	8	29
Tractions	2	8	3	13
Industrials	9	22	23	54
Textiles	6	5	6	17
Total	47	96	80	223

QUEBEC SOUTHERN SALE TO GATINEAU POWER ANNOUNCED

Subject to Shareholders' Approval, Deal Goes Through

From Our Own Correspondent.

MONTREAL.—As forecast in The Financial Post May 27, Gatineau Power Company is likely to acquire the Quebec Southern Power system. A definite offer has been made, and has been accepted by shareholders and will be dealt with by the shareholders on July 5.

Major P. L. Browne, president of the Quebec Southern Power Corporation, announced this week that he had received an offer to purchase the assets and undertaking of the Quebec Southern Power Corporation, this offer coming from the Gatineau Power Company, a wholly owned subsidiary of the International Paper Company.

A special meeting of the board of directors of the corporation was held when it was decided to accept the offer of the Gatineau Power Company, subject to confirmation by the shareholders. Notices of a special general meeting, to be held on July 5 next, have already been posted to shareholders and they will be asked to confirm the action of the directors in selling the undertaking and assets of the corporation as a going concern at a price which is deemed satisfactory.

It is understood that, for the present, the outstanding bond issue will not be disturbed. It is a condition of the sale that the purchasers assume the liabilities of the corporation, including the abovementioned issue of $1,000,000 6½ per cent. first mortgage and collateral trust sinking fund gold bonds.

History of Quebec Southern

About two years ago the Quebec Southern Power Corporation was formed to succeed La Compagnie Electrique des Laurentides which operated a small plant at Rawdon serving nine towns and about 1,000 customers. Growth was restricted on account of lack of power and plans were put under way to enlarge the operation of the company. Complete ownership of the Laurentian Hydro Electric Limited was obtained shortly thereafter. The latter was just commencing operations in adjacent districts and had completed a modern plant at Mont Rolland. These systems were linked up and about a year ago, the municipal hydro plant at St. Jerome was acquired along with a ten year franchise from that city. About two months ago, a fourth plant was added to this system, this being at L'Annonciation.

As it exists to-day the corporation has grown from serving nine towns two years ago to between 45 and 50 communities at the present time. In the same interval the number of customers has grown from approximately 1,000 to close to 5,000. Water power resources were also greatly increased, those now held being estimated to have a potential capacity of about 90,000 h.p., all within 50 miles of Montreal and capable of economical development.

B.C. Mining Stocks

Special wire to The Financial Post.

VANCOUVER.—The market has been very quiet. Principal quotations follow:

	High	Low	Close
Premier	2.09	2.07	2.06 bid
Coast Copper	16.00	15.90	16.00 bid
Dunwell	142	1.38	1.41-1.42

A. R. MacDonald is New Head Maple Leaf Mills

The resignation of D. A. Campbell as general manager of Maple Leaf Milling Co., which was announced at the annual meeting this week, was somewhat of a surprise in financial circles, although it was said a year ago that it was Mr. Campbell's wish to be relieved of some of the more arduous duties of the post.

A. R. MacDonald, who succeeded Mr. Campbell, has been assistant general manager and is well versed in the affairs of the company.

UNLISTED SECURITIES

	Bid	Asked
Brooks Motor, 1 pref. & 1 com.	3	4
Can. Machinery, com.	5	7
Can. Westinghouse, com.	192	..
Chase, A. W., com.	4	8
Do., pref.	65	75
Goodyear Tire, 6% pref.	103	103¼
Goodyear Cotton, pref.	94	103
King Edward Hotel, Deb. A.	71	75
Farmers Dairy, com.	75	85
King Edward Hotel, Deb. B.	60	64
Loew's Buffalo, pref.	37	42
Nat. Grocers, 1st pref.	94	96
Nat. Grocers, com.	1	4
Continental Life, 20% paid	50	..
Crown Life	175	..
Empire Life	26	29
Excelsior Life, 30% paid	80	88
Great West Life	420	440
Monarch Life, 10% paid	38	42
Mortgage Discount, pref.	6¼	6¾
Ontario Equitable	29	32
Security Life, 40% paid	..	28
Sun Life, 75% paid	950	1050
Toronto Finance, pref.	3½	4½
Canada Life	850	925
Farmers Dairy, pref.	100	105
Dom. Combing Units	12	18
Fanny Farmer, com.	27	29
Do. pref.	29	31

STERLING APPRAISAL COMPANY LIMITED

9-11 E. Wellington St., TORONTO

Sterling Security Reports are prepared by Registered Professional Engineers

B.C. WOULD GRANT BIG LAND SUBSIDY ALONG WITH P.G.E.

But Would No Doubt Insist on Extension to Peace River

VANCOUVER. — Enormous land subsidies are said to be contemplated in connection with the proposed disposal of the Pacific Great Eastern Railway to American financial interests—a deal which is now being negotiated.

The provincial government has been waging a strenuous fight for federal recognition of its claim to an extensive area of land in the Peace River country. Its claims are linked up with a general plea for better terms which has engaged the attention of Premier John Oliver during the last few months almost to the exclusion of all other affairs associated with the province's relationship to the Dominion. But behind all this campaign is not merely the claim to lands as a matter of right but as an instrument of negotiation with interests likely to purchase the Pacific Great Eastern Railway.

Glad To Be Rid of Road

There is nothing that would please the provincial government more than to be able to get rid of the P.G.E. The railroad has cost upwards of $50,000,000 and has failed to return dividends, but experts agree that it can be made to turn over a profit with capable management under private ownership. Under present conditions the road really begins nowhere and ends nowhere. Its southern terminus is at Squamish, a mere village separated by twenty miles of water, and the northern terminus is at Quesnel, which is sixty miles south of the Canadian National Rly. (G.T.P.) and little more than a frontier town of a few hundred inhabitants.

The idea is that if private interests take over the P.G.E. they will extend it to Prince George and then into the Peace River country, which is expected to become one of the most important sources of wheat on the continent when properly developed.

New Yorkers Now Negotiate

Those carrying on the present negotiations with the government are William Wallace, Jr., New York lawyer; H. J. Horn, former president of the New York & New Haven Railway; and Col. W. A. Sullivan. They have made an inspection of the line from Squamish to Quesnel and have sent their technical men into the Peace River country, and state that if favorable terms can be arranged it may be possible to take over the Edmonton, Dunvegan & B.C. Railway, which runs from Edmonton into the heart of the Peace River country from the east. If this connection is arranged it will create a new railway tapping the Peace River country from both sides and, it is claimed by those interested in the railroad, this will make certain enormous expansion in the northern territory.

But it is intimated that provincial government will be unable to dispose of the road without making the deal attractive with subsidies, and it is certain that if private interests do take over the road they will take over with it an enormous area of Peace River land, tributary to the proposed route. Whatever deal is made the government is pretty certain to insist that the extension is made northward from Prince George.

First Gun Booms in Fight to Remove Besco Management

(Continued from page 1)

on the personal attitude of individuals.

The unbiased shareholder, though, has a difficult choice to make. Even admitting that the second preferred shareholders may be against the present management, he has been offered one new share for every ten. It is impossible to say that this offer is either fair or unfair without being intimately acquainted with the earnings and potential earnings of Besco and each of the individual subsidiaries. One thing is certain, and that is the prior claims of the first preferred are of such a size as to leave but little to the second preferred in the event of liquidation.

Can It Act for Both?

The Besco management admits that the National Trust is a sound organization but points out that those acting for the bond holders can hardly act in the best interests of the shareholders. Perhaps this is one of the reasons why the Royal Trust Company is now associated with the National Trust.

Obviously if the National Trust intends to work out a reorganization it is the ultimate intention of the company to oust the present management of Besco. Whether it will be successful in this endeavor depends upon just how many shares the present management controls. It may be, that the management has control of over 50 per cent. of the Besco shares.

Can Management be Ousted?

There is no doubt of course that the National Trust is competent to bring about a reorganization—but to do so, the present management of Besco would have to be ousted from its position. A premise which, to say the least, is certainly doubtful. It must be remembered also that even providing the trust company is successful in having the second preferred shareholders turn down the management's offer, that it is still a long, long way from actually removing the present management and substituting a stronger board and one which will carry out a reorganization along the lines which the National Trust believes to be in the best interests of the shareholders.

In other words, even if the National Trust proves successful in this instance, it can not guarantee the second preferred of Besco a reorganization along National Trust lines.

The outcome of the whole affray lies in the lap of the gods and depends on many things, not the least of which is the forthcoming decision of the Nova Scotia courts on the National Trust Company's application for the winding up of the Dominion Steel Corporation, the holding company which owns all the common stock of Dominion Coal and Dominion Iron.

To Pay Interest

National Trust Co. has notified holders of first mortgage bonds of Dominion Iron & Steel Co. that the interest arrears on the bonds and the instalment due July 2, will be paid on presentation of coupons. The interest has been in arrears since July 1, 1926.

The sinking fund is still in default.

National Trust Co. points out that the interest payments are resumed after less than a year of management by the National Trust as receivers appointed by the court. The position regarding the receivership is set forth as follows:

On July 2, 1926, National Trust Company, Limited, as your trustee, and also as trustee under the trust deed dated July 1, 1909, securing the consolidated mortgage bonds of Dominion Iron and Steel Company, applied to the Supreme Court of Nova Scotia for the appointment of a receiver and manager of the business of the steel company, and an order appointing the National Trust Company as such receiver and manager was duly made on that date. No default under your trust deed then existed as while the interest coupon due on July 1, 1926, was not paid the company had a period of ninety (90) days' grace within which to make the payment. The affairs of the company, however, were in such a condition that operations could not be continued unless a receiver and manager was appointed, and accordingly the application made was based upon the ground technically known as "jeopardy"; that is to say, that unless the court intervened by appointing a receiver and manager the assets forming the security for the bonds would be greatly depreciated in value through the shutting down of operations.

The results of the operations of the plant since we were appointed receiver and manager on July 2 last have shown substantial improvement. In due course, if the court approves, a statement showing the result of the receiver's operations for the full period of twelve months, ending July 2, 1927, will be issued.

Proceedings Necessary

It will be necessary eventually to take proceedings either under the trust deed securing your bonds and the trust deed securing the consolidated bonds, or under the latter trust deed only, for the enforcement of the security thereby created. This necessity exists whether reorganization, which we believe should be capable of accomplishment, is to be brought about, or whether realization must take place. We anticipate that these proceedings will be brought on the part of the consolidated bondholders and such proceedings will, of course, be subject to your rights as first mortgage bondholders. In that event the purchasers, whether they be the consolidated bondholders themselves or others, must make provision for meeting your bonds on July 1, 1929. Should, in the meantime, anything occur rendering it necessary or desirable that proceedings be taken under the first mortgage there will be a continuing default as to sinking fund, which will warrant the taking of proceedings at any time and in addition, as already indicated, the holders of the majority of the outstanding bonds will preserve the right to require us to accelerate the principal. Being familiar with the whole situation, both as trustees and as receiver and manager, we believe that proceedings under the trust deed securing the consolidated bonds, subject to the first mortgage bonds, will be in the best interest of both sets of bondholders.

We invite the holders of first mortgage bonds to advise us at the address of this office, 153 St. James Street, Montreal, of their names and addresses and of the amounts of bonds held by them respectively, so that we may communicate further with them directly if necessary.

Criticizes Plan

National Trust Co. details its objections to the Wolvin plan of reorganization of Besco and subsidiaries in a letter addressed to second-preference shareholders, but which also has been sent to first preference shareholders for their information. The letter, in full, follows:

You have no doubt received notice of the Special General Meetings of Shareholders of the British Empire Steel Corporation, Limited, to be held at Halifax on the 11th July, 1927, and a form of proxy in favor of R. M. Wolvin, or failing him, J. E. McLurg, to vote at such meetings in favor of a scheme of arrangement outlined in the notice.

As the holder of nearly $6,000,000, par value of second preference stock, we intend to vote against the scheme. Other holders of second preference shares have intimated their intention of voting against the scheme, and a form of proxy in favor of Sir Joseph Flavelle, Bart., president National Trust Company, Limited, H. B. Mackenzie, general manager of the Royal Trust Company, J. M. Macdonnell and F. R. MacKelcan, offices of National Trust Company, Limited, or any of them is enclosed for your use should you wish your shares to be voted in opposition to the scheme.

Mr. Wolvin's plan contemplates the cancellation of the existing capital of the British Empire Steel Corporation, Limited, and a new capital structure consisting entirely of no-par-value shares, all of one class, and restricted to 1,000,000 shares of which 346,632 shares would be issued as follows:—

281,123 to be issued in exchange for 80,321 First Preference Shares; 57,350 to be issued in exchange for 573,500 Second Preference Shares; 8,150 to be issued in exchange for 244,500 Common Shares.

This would leave 653,377 shares unissued.

The scheme cannot become effective unless adopted by a majority in number representing 75% in value in each class of share represented at the meetings.

The result of the proposed reduction in the proportion of the capital held by second preference shareholders would be to take away the preponderating vote now enjoyed by the holders of the $57,350,000 of second preference shares and give control of the British Empire Steel Corporation, Limited, to the holders of its $8,031,500 of first preference shares.

We do not think that the second preference shareholders would be well advised to give up at this time their control in voting power for so inadequate a consideration as one-tenth of a share of the new stock for each share of second preference stock now held, bearing in mind that such new stock will have only a problematical value and will be in a company still to be controlled by Mr. Wolvin and his associates, who have, we submit, signally failed to make a success of the combined industries in the past.

Asks for Proxies

A majority of the proposed new shares would remain in the treasury and could be issued upon the vote of the shareholders, and control of the vote would have passed to the present first preference shareholders.

Have the second preference shareholders any reason to have confidence in the disposal which Mr. Wolvin and his associates would make of this large block of stock ranking equally with the shares which it is proposed they should accept?

What does Mr. Wolvin offer the second preference shareholders?

Approximately 17 per cent. of the issued stock of the recapitalized company in exchange for approximately 63 per cent. of the present issued stock of British Empire Steel Corporation, Limited, and that in a corporation still to be controlled by him, and with 65 per cent. of its stock unissued and presumably subject to issue on the vote of its shareholders, in which vote the present second preference shareholders would have so marked an inferiority as compared with the present first preference shareholders. The adoption of the proposed capital readjustment would divest the second preference shareholders of any effective voice in the affairs of the corporation.

What do we suggest as the benefit to the second preference shareholders if they defeat the present proposal?

The opportunity of securing the united efforts of men of outstanding experience, ability and proved judgment, the support of strong financial interests, the fairminded and reasonable co-operation of security holders based on mutual confidence and, we hope, the sympathetic interest of governments and the public, all directed toward the great purpose of bringing about a unified reorganization.

The name of the general manager of the Royal Trust Company is included in the proxy because the Royal Trust Company, representing the owners of a substantial number of second preference shares, is opposed to the proposed capital readjustment.

If you wish to oppose the plan, please sign and send in your proxy in the enclosed envelope to National Trust Company, Limited, 153 St. James Street, Montreal. Quick action is necessary so that we may be able to file the proxies at the office of the British Empire Steel Corporation in the Canada Cement Building not later than 9th July.

Mr. Wolvin Replies

The latest word in the argument comes from Roy M. Wolvin, president of British Empire Steel Corp., and actively in control of all the Besco companies except Dominion Iron and Steel (not to be confounded with Dominion Steel) which is under the management of National Trust. Mr. Wolvin says:

The Royal Trust Company holds in estates which it represents about twenty per cent. of the total first mortgage bonds of the Dominion Iron and Steel Company. These bonds at present have a market value of over $700,000 and, according to the register of second preference shares, they represent less than 2,000 shares of British Empire Steel Corp. second preference, with a market value of $3,000, or about one-third of one per cent. of the issue.

In voting against the proposed reorganization, they naturally are working in the interest of the bondholders.

The National Trust Company represents the bondholders of the Dominion Iron and Steel Company, and through such representation claim to hold about 10 per cent. of the second preference shares of Besco worth in the market about $84,000. The value of the shares mean very little to them, but, if they were able to persuade sufficient shareholders to give them proxies, they could, through the control of Besco, obtain certain interpretations of the existing contract for coal that would seriously injure the values the shareholders still have in the coal properties.

The National Trust Company is also indebted to the Dominion Steel Corporation for large amounts and, under the cloak of a British Empire Steel Corporation second preference shareholder, this debtor asks other shareholders for proxies to permit the National Trust Company to control the actions of its creditor.

Ratify Gotfredson Purchase

Shareholders of Gotfredson Corp., Ltd., have ratified the proposal to acquire the Gotfredson Truck Corp., of Detroit, which was announced in The Financial Post last week.

1867 SIXTY YEARS OF PROGRESS 1927

Old Water Wheel in Laurentians

WATER POWERS

When the Carillon bells ring in the Jubilee on July 1st, Canada will look back with pride on many notable achievements.

And none are more notable than the development of her water powers.

Canadian world leadership in the per capita consumption of hydro power, has materially helped the progress and prosperity of our country, with a consequent profit to the investor in water power securities.

NESBITT, THOMSON & COMPANY LIMITED

Royal Bank Building, TORONTO, 2

Montreal Quebec Ottawa Hamilton London, Ont. Winnipeg

590

NATION'S BUSINESS

(Continued from page 1)

foundland Governments have each guaranteed issues of debentures — the former £2,000,000 four-and-a-half per cent. A debenture stock (under the Trade Facilities Act), and the latter £2,000,000 five-and-a-half per cent. B debenture stock.

Newfoundland's burden would be $550,000 a year. Under present conditions in the fishing industry, Newfoundland's basic source of revenue, the island Dominion could ill afford such a sum. This makes it seem certain that Newfoundland will consent to the sale of the property to one or other of the groups that are after it, will grant additional concessions of timber and possibly power, up to some amount, and will be relieved of the financial burden of the guarantee.

A scarcity of beef cattle is likely in Saskatchewan this year, experts say.

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Bonds Government Municipal Corporation

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MUIRHEAD CAFE STOCK PROMISING WELL ON EARNINGS

Good Surplus is Shown After Payment on Preferred Shares

The first annual statement of Muirhead's Cafeterias, Ltd., for the fiscal year ending Feb. 28, 1927, shows net profits, after providing for depreciation, taxes and organization expense, of $51,038. Out of this the company paid the regular 7½% dividend on its preferred stock, which leaves a surplus of $28,139 on the year's operations. This represents earnings of approximately 48 cents on each of the 48,078 shares of no par value common stock outstanding.

The company made its first public offering of stock in May 1926, in order to provide money for extending its operations. This balance sheet is the first to be issued since the new financing was done, but it compares very favorably with the statement of earnings made before the company issued its capital stock. The net earnings of the company before providing for depreciation, taxes, etc., are slightly more than for the year ending March 31, 1926, but net profits (on the assumption that Federal Income Taxes are the same for both years) are slightly lower in 1927 than for the 1926 period.

The company seems, however to have maintained its earnings well, in view of the fact that the year 1926-27 was one of expansion and that the earnings from the new Adelaide Street store only affected the last two months of the company's operations. Considerable additional revenue is looked for from this store in the future, not only from the cafeteria but also from the company's premises on the second floor which have not as yet been rented. The company owns its Adelaide Street property outright. The following figures show the comparative statements of profit and loss for the 12 months' periods ending Feb. 28, 1927, and March 31, 1926. Both these statements cover a full year of operations.

Profit and Loss

12 months end.	Feb. 28, 1927	Mar. 31, 1926
	$	$
Gross sales	506,748	422,442
Cost of sales	435,124	359,375
	71,624	63,067
Other profits	....	3,078
	71,624	66,145
Less: Depreciation	13,000	8,200
Written off	3,000	......
Taxes	4,586	......
Net profits	51,038	*57,945
Dividends	22,899	......
Surplus	28,139	......

*Before providing for federal income tax.

During the year the company's capital assets have increased from $205,797 to $335,246. This increase is due to the acquisition of the new Adelaide St. store, which began operating late in 1926. Leases, trade name, goodwill, etc., remain unchanged at $150,000. Current assets in the new statement are shown at $81,397, as against $110,560 for the former statement. Current liabilities at Feb. 28, 1927, were $49,974 as against $23,848. Doubtless the heavy outlay for the new plant has had considerable effect on the working capital position, which notwithstanding has been fairly well maintained.

The original offering of stock was made in the form of convertible preferred stock, with a par value of $10 per share. According to the new balance sheet, 13,382 of the preferred shares have already been exchanged for common stock. Thus of the 48,078 common shares (no par value) that are now outstanding, 20,073, were issued in exchange for preferred shares. The common stock is now carried on the books of the company at a little more than $5 per share, as against a fraction less than $4 per share a year ago.

Stock Market Record

WEEK ENDING JUNE 21

	Div. Rate	Yield June 20	High for wk.	Low for wk.	Close June 21	Close June 14	Sales for wk.	Range, 1927 High	Range, 1927 Low
Banks—									
Commerce	12+1	5.27	246	241	245½	241	378	248	228
Dominion	12+1	5.36	243	237	242	237	155	243	217
Can. Nationale	10	6.06	165	165	165	165	32	165½	160½
Imperial	12+1	5.79	226	220	225	221	339	226	214
Montreal	12+2	4.68	300	298½	299	300	256	300	272
Nova Scotia	16	4.92	325¼	323	325¼	325	24	325¼	298
Royal	12+2	4.81	291	283	286	284	611	291	257
Standard	12	5.91	203	203	203	201	173	207	196
Toronto	12	5.00	243	235	243	233	11	243	227
Paper—									
Abitibi, com. (no par)	5	5.29	94½	92½	92¾	93¾	800	97¾	82
Do. pref.	7	5.98	..	...	...	...	...	119	113
Belgo-Can., pref.	7	6.86	102	102	102	103	160	105	101
Brompton (no par)	$2	6.25	32½	32	32	32	330	35	31
Fraser, pref.	7	7.01	99⅞	96¾	99⅞	97	105	99⅞	96¾
Inter. Paper, com.	$2	4.66	42⅞	41	42¾	41½	12000	60⅞	39½
Laurentide	6	6.55	94	90	90½	92½	1518	110¾	90
Price Bros., com.	2	3.70	54	53	53	54	50	63	53
Do. pref.	6½	6.37	102	102	102	103¼	20	104	100
Prov. Paper, pref.	7	6.04	..	...	...	...	...	107	105¼
Smith, Howard, com.	.	...	61½	61	61	62	175	68¾	61
Do. pref.	8	7.27	110	110	110	110½	10	112	103½
Span. River, com.	7	7.07	99	98	98½	98½	290	102¾	97⅛
Do. pref.	7	6.19	113	112	112	113	160	116½	110¼
Wayagamack	3	5.21	59	57½	57½	57½	575	61¾	46½
Steel and Steel Industries—									
B.E. Steel, com.	.	...	..	...	...	...	...	1⅝	½
Do. 1st pref.	.	...	28	26	26	27	275	29¼	10
Do. 2nd pref.	.	...	1½	1¼	1½	1½	455	4	1
Can. Car & Found., com.	.	...	39	39	39	40	125	50¼	38½
Do. pref.	7	7.69	..	90½	90½	91	181	94½	88
Can. Fairbanks, pref.	6	6.66	..	...	...	...	...	90	80
Can. Forgings, com.	.	...	..	...	...	...	...	27	18
Do. pref.	.	...	..	...	...	...	...	87½	66
C.G.E., com. (par $50)	.	...	..	...	...	...	...	60	50
Do. pref. (par $50)	7	6.36	59½	55	59½	60	11	61	55
Canada Iron, com.	.	...	..	...	...	...	...	15	12
Do. pref.	4	7.27	..	...	...	...	...	60	42
Can. Locomotive, com.	.	...	..	...	...	...	...	48	40
Do. pref.	7	8.40	87	83¼	83¼	84	105	89	83
Dominion Bridge	4+2	3.23	189	180¼	181¾	186	2266	193½	116¾
Dominion Coal	.	...	82	82	82	82	10	85	69
Dominion Iron, pref.	.	...	2	2	2	2¾	50	5	2
Dom. Radiator, pref.	7	7.00	..	...	...	...	...	101¾	100
Dom. Steel Corp., pref.	.	...	30½	30½	30½	31	35	31¼	20
Ford Motor	15	...	..	...	...	...	...	436	436
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, com. (no par)	.	...	12	11½	11½	11½	200	15	9⅞
Do. pref.	7	7.95	89	88	88	88	20	95	87¼
Massey-Harris, com.	.	...	39¼	35½	35¾	38⅛	23178	42¾	35½
Do. pref.	7	6.42	109¼	109	109	109	247	109¾	103½
McKin. Ind., c. (no par)	.	...	22½	22	22	23	115	25½	15
Do. pref.	7	7.38	94¾	94¾	94¾	95½	5	97	93½
Do. Vot. Trust	.	...	23¼	22½	22½	23½	760	26¾	15
Ontario Steel, com.	4	4.32	92½	90	92½	88	235	92½	73
Do. pref.	7	6.79	105	105	105	103	50	105	100
Page Hersey, com.	$3	4.28	70¾	69	69	71	330	75½	55½
Do. pref.	7	5.03	141	138½	138½	143	140	150	116
Pressed Metals, com.	.	...	43	41⅜	42	43	127	46½	34¼
Do. pref.	7	7.77	90	90	90	88	53	90	85
Russell Motor, com.	3	5.45	..	...	...	...	...	76	52
Do. pref.	7	7.29	96	96	96	98	10	98	90⅛
Sawyer-Massey, com.	.	...	..	...	...	...	...	1	1
Do. pref.	.	...	..	...	...	...	...	22	5
Steel of Canada, com.	7	5.18	137½	134	134	134¾	1456	137½	117
Do. pref.	7	5.07	140	138	138	137½	84	140	127
Milling and Foodstuffs—									
Alta. Pac. Grain, com.	.	...	22	21½	21½	22	70	27¼	19½
Do. pref.	7	7.86	89	88	89	90	325	92	85
Arnolds, com. (no par)	.	...	17½	13½	13½	17½	884	26	13½
Do. pref.	7	8.23	85	85	85	88	5	92	84
Atlantic Sugar, com.	.	...	26	25	25	26½	550	32	24½
Do. pref.	.	...	97	95	95	97	70	101¼	90
B.C. Fishing, com. (new)	$1.25	7.35	18	17	17½	17½	626	22	16
Do. pref.	7	8.38	86	83	83	84⅞	288	90	83
Can. Bak., c. (no par)	.	...	32	29	29	32	70	38½	27
Do. pref.	7	7.00	100	99½	100	99	103	102	97
Can. Bread, c. (no par)	$5	4.70	..	...	...	...	...	116	90
Do. pref. (A)	7	6.00	116½	115	116½	116½	30	116½	108½
Do. pref. (B)	7	6.48	109	109	109	108	3	112¼	103
Can. Canners, com.	.	....	50	49	50	50	492	63½	21
Do. pref.	4	4.52	90	87½	89	90	378	97	76
Canadian Salt	8	6.01	..	...	...	...	...	136	123
Christie Brown c. (no par)	$1.20	1.90	66	59	63	56	1330	66	38
City Dairy, c. (par $25)	3+1	3.37	119	118	118	126	118	126	79
Do. pref.	7	5.83	120⅛	120⅛	120⅛	119	10	120⅛	112
Cuban Can. Sugar, com.	.	...	2¼	2	2	2½	190	5	2
Do. pref.	.	...	30	30	30	32	100	37	29
Wm. Davies (A) (no par)	.	...	40⅞	39½	39⅞	40½	2020	43⅞	25
Do. (B) (no par)	.	...	16	14	14	17	165	19½	9
Dom. Stores (no par)	$2.40	3.24	74	73½	74	73¾	410	85½	65
Do. Rights	.	...	3½	3	3¼	3¼	683	4	3
Hamilton Dairies, com.	.	...	30½	30	30	29	50	33	24
Do. pref.	7	7.25	96½	96½	96½	97	50	98½	96
Inter. Milling, pref.	7	6.66	105	104½	104½	105	29	107	104
Lake of Woods, com.	12	8.00	150	150	150	150	240	160	130
Do. pref.	7	6.36	..	...	...	...	...	117	110
Loblaw, com.	$1.25	2.50	50	49½	50	49½	205	51	48
Do. pref.	7	6.36	110	109¼	110	109	15	110	107
Maple Leaf Mill., com.	.	...	..	...	...	...	...	73⅛	60
Do. pref.	7	7.07	98	96	96	96	26	101¼	94
Ogilvie Flour, com.	5	1.81	275¼	275	275	277	90	290	205
Do. pref.	7	5.60	125	125	125	125	45	125	120¼
Pure Gold Mfg. (no par)	$1.50	7.50	..	...	...	...	...	21½	19⅛
Shred. Wh., c. (no par)	$3	4.76	65½	62½	62½	65	898	70½	55
St. Law. Flour, com.	.	...	30	28	28	29	25	31½	28
Do. pref.	7	8.23	..	...	...	...	...	85	80
Viau Biscuits, com.	.	...	..	...	...	...	...	26	18
Do. pref.	7	7.77	90	90	90	92	5	92½	83½
W. Can. Fl., c. (no par)	$1.40	5.60	25	25	25	26	100	29½	22
Do. pref.	6½	6.34	102½	102¼	102½	102	60	103¼	100
West. Groc., c. (no par)	$1	...	19	19	19	18	1	29	18
Do. pref.	7	8.97	..	...	...	...	...	84	74¼
Utilities—									
Bell Telephone	8	5.34	150½	148	149½	148⅛	836	158½	137
Calgary Power	.	...	..	...	...	...	...	50	50
Consumers Gas	10	5.60	180	178½	179	181	71	182	171½
East Koot. Power	.	...	..	...	...	...	...	29¼	26
Do. pref.	7	7.21	97	97	97	97	45	98½	96¼
Int. Util. (A) (no par)	$3.50	...	42	40	44	40	597	42	28
Do. (B)	.	...	7½	7	7	7⅝	370	7⅝	4½
Jamaica Pub. Ser., pref.	7	7.07	99	99	99	100¼	55	100¼	97
Laurentide Power	5	4.67	107	107	107	109	11	120	107
Mackay, com.	7	6.03	118¼	115	116	118½	53	127	115
Do. pref.	4	5.61	71¼	70	71¼	70⅝	265	74	69
Mexican Light, com.	.	...	..	...	...	...	...	44	27
Do. pref.	.	...	..	...	...	...	...	120	77¼
Mont. L H & P (no par)	$2	2.36	84¾	84	84⅛	84½	5835	85¾	68⅛
Montreal Teleg. (par $40)	8	5.23	..	...	...	...	...	51	49
Nor. Mexico Pr., com.	1	...	80	80	80	82	150	83	42
Do. pref.	7	7.52	93	83	93	93	126	93	82½
Ottawa & Hull Pr., com.	.	...	28	26	26	27	58	28	26
Do. pref.	7	7.03	97½	97½	97½	99½	5	99½	96
Ottawa L. H. & Pr., com.	6	5.58	107½	107½	107½	107	20	107½	98½
Do. pref.	6½	6.07	107	107	107	106½	5	107½	102
Quebec Power, com.	6	2.09	290	281	281	292	891	311	190
Shawinigan	$2	2.28	89¼	86⅝	85	88½	10749	93¾	67
South. Can. Pr., com.	$2	2.15	93	93	93	95	49	97	85
Do. pref.	6	5.91	102	100¼	102	100⅛	197	102	100
Transportation—									
Can. Pacific Rly.	10	5.59	178¾	177¼	178¾	177	99	190	166
Can. Steamships, com.	.	...	38	37¼	37½	38	420	42	35
Do. pref.	6	6.66	91	89	90	92	1184	94¾	82½
Do. voting	.	...	35⅛	35	35⅛	35⅛	425	37½	32½
Tractions—									
Barcelona (par $50)	1	...	50	50	50	51	5	51	33½
Brazilian, com.	6	3.66	169	156½	157	165	84656	172	102½
Do. pref.	6	4.44	140	133½	133½	141	1594	143½	105
Detroit Un. Rly.	.	...	2	2	2	2	10	5	2
Duluth-Superior	$2	...	27	27	27	27½	20	30⅝	25
Mexican Trams.	.	...	..	...	...	...	...	21	19¼
Montreal Trams.	10	5.40	185	185	185	187	20	200	169
Ottawa Traction	4	6.01	66½	66½	66½	67	35	70	64
Porto Rico Rlys., com.	2	2.80	..	...	...	...	...	70⅝	59
Do. pref.	7	7.36	96	96	96	95	10	96⅛	90
Twin City, com.	4	7.84	53½	50	51	53½	49	66	48⅝
Do. pref.	7	6.86	..	...	...	...	...	105	100¾
Winnipeg, Elec., com.	1	...	76½	72	72	75	2457	79¾	60¾
Do. pref.	7	6.74	103¾	103	103¾	103	31	105	100¾
Textiles—									
Can. Conn. Cotton, pref.	4	9.09	45	44	44	45	25	50	36
Can. Converters	7	7.21	98	96	97	97	115	107½	96
Can. Cotton, com.	8	6.45	..	...	...	...	...	132	120
Do. pref.	6	6.12	98¼	98¼	98¼	98	5	100	95
Can. Woollens, com.	.	...	8⅛	8⅛	8⅛	8	5	10	6
Do. pref.	.	...	60	60	60	60	20	63½	59¾
Cosmos Imp., com.	.	...	25¾	24	24¼	26¾	741	27	13
Do. pref.	7	6.93	101	100¼	100¾	100¼	98	101	91¼
Dom. Textile, com.	5	4.42	114	113	113	115½	777	120¾	105
Do. pref.	7	5.83	121	121	121	120	32	121	117
Monarch Knitting, com.	.	...	..	...	...	...	...	7½	7½
Do. pref.	.	...	53	53	53	51	100	54	49
Montreal Cottons, com.	6	5.31	113½	111	111	113	48	117	110
Do. pref.	7	6.06	116	115½	116	115¾	10	118	115
Penmans, com., new	4	5.55	72½	70	70	72	75	79	70
Do. pref.	6	5.91	..	...	...	...	...	105	101
Wabasso Cotton	6	6.31	..	...	...	...	...	116	84
General Industrials—									
Amer. Sales, c. (par $20)	4	6.50	61½	61½	61½	62	44	75	61½
Do. pref.	7	6.86	102	102	102	101¾	65	102	97½
Do. Rights	.	...	..	...	...	...	...	6	3
Asbestos Corp., com.	.	...	24	23	23	23½	1830	25	20
Do. pref.	7	7.84	89⅞	89	89	88¼	1596	90	82¾
Brant. Cord., pf. (par $25)	8	8.69	23	22¾	22¾	22¾	170	25	21
Building Products, pref.	7	7.14	98	96⅞	98	97	68	98	93½
Burt, F. N., com.	$3	4.91	61½	61	61¼	62	185	66	56½
Do. pref.	7	...	..	...	...	...	...	x210½	210½
Canada Cement, com.	6	4.02	150¼	145	145	150¼	880	153½	124½
Do. pref.	7	5.85	120	119½	120	120	69	121½	116
C. Ind. Alc. (no par)	$1.28	4.26	31⅛	29	29	30⅞	15005	34½	21¼
Canadian Oil, com. (new)	.	...	24½	24⅛	24½	24	140	24⅞	24
Do. pref.	8	6.66	120⅛	120⅛	120⅛	120	25	120⅛	115½
Crow's Nest Coal	6	9.52	63	63	63	67	10	71 ⅛	62
Dom. Glass, com.	7	5.83	122½	119	120	123¼	924	125½	104
Do. pref.	7	6.23	113	113	113	111¾	20	115	11¼
Dom. Rubber, pref.	7	...	..	...	...	...	...	x87½	80
East Theat., c. (par $25)	.	...	30	30	30	30	111	30	24
Do. pref.	7	7.36	95	95	95	95½	4	95½	92½
Famous Players, com.	.	...	30	30	30	30	10	30	20
Do. pref.	8	8.46	96	94½	95	96½	190	101	93¾
Gilman, com.	6	5.45	..	...	...	...	...	112	110
Do. pref.	7	6.00	116½	116½	116½	116¼	15	125	110
Goodyear Tire, pref.	7	6.93	101	100	101	102	94	109	94½
Holt, Renfrew, com.	.	...	..	...	...	...	...	43	43
Do. pref.	7	7.77	..	...	...	...	...	92	85
Hunt's, Ltd., c. (no par)	.	...	24	24	24	23½	5	25¼	22
Do. pref.	7	7.52	90	90	90	93	10	95	91
King Edward Hotel	$1	...	..	...	...	...	...	60	20
Laura Secord, com.	.	...	35	34	34	34¼	176	35	26
Do. pref.	7	6.48	112	108	110	111	211	112	102
Lyall Construction	.	...	38	33	33	37½	65	45¾	25
Loew's, com.	.	...	..	...	...	...	...	47	38
Do. pref.	7	6.69	..	...	...	...	...	105	96½
Nat. Brew., c. (no par)	$4	5.83	70	68	68	70	2738	73½	65
Do. pref.	7	6.54	107	107	107	108	20	110	105
National Brick, com.	.	...	..	...	...	...	...	10	8
Do. pref.	7	10.76	..	...	...	...	...	81	65
Pacific Burt, com.	6	6.18	..	...	...	...	...	100	87
Do. pref.	7	6.51	107½	107½	107½	108⅛	10	108⅛	102
Port Hope Sanitary, com.	3	2.14	140	140	140	130	20	140	125
Do. pref.	7	6.54	..	...	...	...	...	108	90
Rogers, Wm., com.	.	...	..	...	...	...	...	80	64
Do. pref.	7	7.00	..	...	...	...	...	100	92
Seagram (no par)	.	...	24⅞	22½	22½	24½	7170	28⅞	15
Sher-Williams, com.	6	3.63	160	160	160	165	10	170	142
Do. pref.	7	5.93	120	118	120	119	60	120½	117
Standard Chem., pref.	.	...	..	...	...	...	...	15	15
Sterling Coal	4	12.50	32	31	31	32	445	36	30
Tooke Bros., com.	.	...	..	...	...	...	...	x8	8
Do. pref.	7	...	70	70	70	81	25	89	80
Tuckett Tobacco, com.	4	5.31	75¼	75¼	75¼	74	80	75¼	69
Do. pref.	7	6.54	106	106	106	107	10	107	103¾
Woods Mfg., com.	.	...	..	...	...	...	...	46	39
Do. pref.	7	8.75	..	...	...	...	...	89	78
Trust and Loan—									
Can. Landed (par $50)	10+1	5.47	101	101	101	100⅝	120	101	94
Can. Permanent	12	5.42	221	221	221	223½	1	223½	216½
Colonial Invest.	6	...	..	...	...	...	...	7	5¾
Huron & Erie	7+½	4.93	151½	151½	151½	152⅛	23	152⅛	139
Landed Banking	9	5.23	..	...	...	...	...	172	161
Mont. Loan (par $50)	12+1	6.50	..	...	...	...	...	52¾	49
National Trust	12	4.74	..	...	...	...	...	255	232
Ontario Loan (par $50)	12	5.12	..	...	...	...	...	117	111
Real Estate Loan	7	6.79	..	...	...	...	...	105	100
Toronto Gen. Trusts	12	4.87	..	...	...	...	...	246	220
Toronto Mtge. (par $50)	10+1	5.34	102¼	102¼	102¼	103½	20	103½	100
Union Trust	7	6.36	..	...	...	...	...	110	104

CURB AND UNLISTED MARKETS

	Div. Rate	Yield June 20	High for wk.	Low for wk.	Close June 21	Close June 14	Sales for wk.	Range, 1927 High	Range, 1927 Low
Anticosti, pref.	7	7.12	..	...	...	...	...	98⅝	98
Attendu Engine (par $1)	.	...	18½	16	18½	16¾	637	35½	14
B.C. Oilfields	.	...	..	...	...	...	...	2¾	2
Beacon Oil	.	...	17½	17	17	17½	1270	20¾	15¾
Belding, com.	6	8.57	..	...	...	...	...	88	70
Do. pref.	7	7.14	98	98	98	98	25	100	98
Brading Brewery	.	...	27⅞	27	27⅞	26	55	35½	25
Brit. Amer. Oil	80c	3.47	24	22½	23	24	4403	28	20
Brew. & Distil. (par $5)	.	...	6⅛	5⅞	6	5¾	935	6¼	4½
Can. Brewing	.	...	27	24	24½	27¾	1050	30¼	23
Can. Bronze, com.	.	...	46	45¾	45¾	46¼	190	50	45¾
Do. pref.	.	...	100	100	100	100	165	101	100
Can. Celanese	.	...	72	68½	71	69	2010	72	52¾
Do. pref.	.	...	..	...	...	...	...	92	89
Carling Brew.	.	...	28	25¾	25¾	28½	3880	28½	25¾
Can. Light & Power	.	...	43⅝	42	42	45	25	55	20
Can. Nor. Pr., c. (no par)	.	...	53½	53½	53½	53½	1	53½	42
Do. pref.	7	7.14	98	98	98	98	15	100	98
Cockshutt, pref.	4	5.63	72	70½	70½	72	60	82	70
Continental Oil	$1	...	17⅝	17⅝	17⅝	17	100	22¼	17
Cosgrave Brew. (par $10)	5	5.00	10	9	9½	9¾	1620	12	6
Cooksville Shale Brick, c.	.	...	..	...	...	...	...	14	10¾
Do. pref.	4	...	..	...	...	...	...	54	50½
Com. Alcohol	.	...	18	17½	17¾	15¾	200	65	15
Foothills Oil	.	...	2.60	2.25	2.40	2.60	910	2.90	2.25
Dom. Engineering	8	4.32	189	179	188	180	115	189	135
Dom. Power, pref.	7	6.96	..	...	...	...	...	101	100½
Dryden Power (no par)	.	...	11	10	10½	10½	345	15½	10
East Dairies, c. (no par)	.	...	27¾	27	27	28	78	29¼	20¾
Do. pref.	7	7.36	..	...	...	...	...	96½	94
Eng. Elec., c. (no par)	.	...	..	...	...	...	...	18½	15
Do. pref.	.	...	87	87	87	87	5	95	72½
Good. & Worts (no par)	$1	1.75	57½	55	55	57	4675	64	43¼
Hayes Wheel, com.	.	...	33	31½	31½	33	234	34	27¾
Do. pref.	.	...	96	95	96	95½	25	96	94
Hiram Walker	.	...	54¼	50	50	51⅜	17720	57¼	28½
Illinois Power, pref.	7	...	..	...	...	...	...	100½	98
Imperial Oil	$1.12½	2.54	44	43	43	43	2294	47	37¾
Imp. Tobacco, c. (no par)	6	...	7½	7½	7½	7¼	110	7¾	6¾
Inter. Petroleum	75c	2.58	30¼	29¼	30	30	540	35¼	29
Mitchell, J. S.	.	...	..	...	...	...	...	30	28
Manitoba Power (no par)	.	...	58	56	58	57	110	58½	50
McColl, com. (no par)	80c	2.15	38	37	37½	37½	991	40¼	22½
Do. pref.	7	6.19	114	113	113	115	310	116½	100
Mount Royal, com.	.	...	..	...	...	...	...	6	4
Do. pref.	6	...	..	...	...	...	...	55¾	51½
North St. Oil, c. (par $5)	.	...	2.50	2.50	2.50	2.20	5	2.55	1.15
Do. pref. (par $5)	7	...	4.95	4.90	4.90	4.90	120	5.01	4.90
N.S. Car, com.	.	...	..	...	...	...	...	25	18¼
Ott. Mtl. Pr., c. (no par)	.	...	..	...	...	...	...	25	18¾
Do. pref. (par $50)	7	7.44	..	...	...	...	...	48⅝	47
Ottawa Riv. Pr. (no par)	.	...	25½	25½	25½	25½	2	26	23
Paton Mfg., c. (no par)	.	...	..	...	...	...	...	60	52
Do. pref.	.	...	98	98	98	98	5	100	98
Power Corp., c. (no par)	.	...	41½	39½	39½	40¾	1989	44	27¼
Do. pref.	6	6.25	96	95	96	95	60	97	94
Port Alfred, pref.	7	7.33	..	...	...	...	...	97½	95
Que. South. Pr. (no par)	.	...	..	...	...	...	...	53	27½
St. Maur. Power	.	...	126	126	126	135	275	150	96
St. Maur. Valley, com.	.	...	53	51	53	51	265	57½	47
Do. pref.	7	7.36	95	95	95	96	10	98	94½
Simpson, Robt., pref.	6	5.88	102	102	102	101	10	102	100
Sovereign Secs. (par $5)	.	...	..	...	...	...	...	2.00	1.50
St. Law. Pap., c. (no par)	.	...	40	39½	40	39	110	54	39
Do. pref.	8	7.54	106	106	106	106	95	108	104
Standard Clay	.	...	..	...	...	...	...	40	38
Toronto Brewing	.	...	12¼	12	12¼	12	825	13⅛	12
Toronto R.S.	.	....	..	...	...	...	...	1.50	1.50
Tram. Script	.	...	10	10	10	10	20	10	9¼
United Secs., com.	.	...	..	...	...	...	...	70½	43½
Do. pref.	6	5.72	104¾	104½	104¾	105	19	105¼	103½
Volcanic Oil	63c	...	..	...	...	...	...	47¼	36
Venezuelan Pete. (par $5)	.	...	..	...	...	...	...	7¾	6¼
Wallace Sand	.	...	..	...	...	...	...	3	2¼
Wolthausen	.	...	24½	24½	24½	23½	25	23½	20
Loew's London	.	...	5¾	5¾	5¾	4½	50	5¾	4½
Northern Bakeries	.	...	29½	27	27	29½	5232	36¾	27
Lake Ont. Brew.	.	...	27	24	27	...	3305	27	24
Perfection Glass	.	...	7	7	7	7½	120	7½	7

xQuotations for 1926. No sales recorded in 1927 to date.

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Charles Gurd and Co. Shares Offered Soon

From Our Own Correspondent.

MONTREAL.—A group of Montreal investment and stock exchange houses have acquired an interest in Charles Gurd and Company, a long-established soft drink organization. It is expected that public financing through an issue of preferred and common stock will be undertaken next week.

The company commenced operation some 60 years ago and has grown through the reinvestment of accumulated earnings until to-day it is the largest manufacturer of soft drinks in the province of Quebec. It also has an active trading connection with other sections of the Dominion and it is anticipated that the new financing will provide for further expansion.

While it is understood than the actual control of the property has changed hands, there will be no change in the management of the firm; the new directorate is as follows: President, Charles Gurd, founder of the business. Directors: Alex. McA. Murphy, general manager; Walter Gurd, Armand Chaput and R. L. Ellis, of J. M. Robinson & Sons.

Canadian Western Lumber

The Canadian Western Lumber Company, which includes the Columbia River Lumber Co., reports sales of lumber for the month of April amounting to 10,249,997 feet, realizing $223,331. For the same month in 1926 the sales at 15,454,037 feet realized $350,016.

The aggregate sales for the first four months of the year were 41,448,194 feet, realizing $911,831, and for the corresponding period last year, 50,120,437 ft., realizing $1,191,994.

Some $10,000,000 will be spent by the Quebec Department of Roads on good roads this year, of which about $4,000,000 will be applied to repairs and maintenance.

We wish to announce the election of
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Pulp & Paper

International Paper, Daily Becomes More and More Canadian

Common is Long-Hold Stock Which Has Manifold Attractions — Company's Position Covered in Comprehensive Review

From Our Own Correspondent.

International Paper's Story in Brief

Pulp and Paper Mills

Groundwood pulp	3
Sulphate pulp	3
Bleached sulphite pulp	2
Paper	1
Sulphate pulp and kraft paper	2
Kraft paper	2
Soda pulp and paper	1
Sulphite pulp and paper	6
Groundwood pulp and paper	5
Total mills: (13 paper mills produce newsprint)	25

Production in 1926

	Tons
Newsprint	506,172
Bag and wrapping paper	33,936
Specialty papers	60,422
Book and writing paper	62,554
Pulp for outside sale	132,154
Total 1926 production	795,626
Estimated 1927 output	1,000,000

Other Activities

Owns the Minto coal mine in New Brunswick.

Owns and operates two power sites in the U. S. In Canada, five power sites are either operated or under construction.

Company owns one-third of the common shares of the New England Power Association.

Owns just over 50 per cent. of the Continental Paper and Bag mills stock.

Owns one-seventh of the stock of the St. Maurice Power Co.

In addition, some of the U. S. mills produce surplus power which is sold.

MONTREAL.—With the amazing growth of International Paper Company there has come a growth of investment interest in the company in the Dominion. A year or so ago, the common shares were listed on the Montreal stock exchange and, while there have only been a few transactions in the stock on the domestic market, yet there are a much larger number of shares held in Canada than there were even two years ago. While much of the common stock held in Canada is in comparatively large blocks, yet many smaller Canadian investors are becoming interested in the common stock issue. The company has appointed a Canadian stock transfer agent so that now the shares may be registered without the bother of forwarding the scrip to New York.

Through the preferred share issue, which was sold a week ago, the investment interest in International Paper has again been increased in Canada. In view of this greater interest in the company, a brief review of its operations will be of interest to the many new preferred and common shareholders of the organization.

Expansion and Economy

It has sometimes been pointed out that the rapid expansion programme which the company began about four years ago could hardly be carried out without sacrificing in a measure economy to expansion. To bear out this statement such purchases as the common stock of the Ottawa-Montreal Power Company at $40 per share have been mentioned. Before the deal, the shares were quoted at $20 per share.

But the company's future policy with regard to the Ottawa-Montreal Power and other similar smaller acquisitions has not been revealed. Perhaps the purchase of the stock at that price may turn out to be a bargain in exactly the same way that the purchase of the Riordon properties was a bargain.

And in any thought on the expansion programme it is worth noting that even if International did pay a good price for some of its smaller properties in Canada, its bigger deals have proved to have been stupendous bargains. Witness the Riordon purchase, or the purchase of the common shares of the St. Maurice Power Company.

The assets of the Riordon Company had a book value and actual value of more than $46,000,000. Yet International picked up the properties at a cost of only $27,000,000 of which less than $8,000,000 was paid in cash!

The Newfoundland Purchase

And now the management is interested in another large deal which looks like another good bargain, the Cornerbrook newsprint mill in Newfoundland. The Newfoundland government guaranteed the bonds of that undertaking; the company has not been able to earn its bond interest and has now called on the government of the island colony to meet its fixed charges.

Along comes the International Paper and offers to buy the Cornerbrook property, but at the same time it asks from the government of Newfoundland certain pulpwood and water power concessions in the Labrador. It has not been announced what these concessions include, but it is thought that they may include the power rights to the gigantic falls on the Hamilton river—one of the big natural resources which gives a value to the disputed Labrador territory.

As the company would be helping the government of the colony out of a bad hole by purchasing the Cornerbrook undertaking, so it can be presumed that in acquiring the rights for which it is asking it would pick up certain concessions at a better than satisfactory price. The Cornerbrook property is now under option to the International Paper, but the Government of Newfoundland has not decided as yet whether it will accept the offer of the company.

Has Been on Sound Lines

All of which indicates that the expansion programme of International Paper is not being carried out along uneconomic lines. But, says the canny investor, all this expansion will undoubtedly assist the company ten years hence when there is sure to be a scarcity of raw materials. Ten years hence the company should be coining money, but what I want to know is what of the immediate future, and the present surplus newsprint capacity of the mills on this continent?

The answer seems to be that International Paper is not only a newsprint producr, but a large producer of other grades of paper and pulps. Thus a slowing up in the company's sales of newsprint would not affect its gross revenues to the extent to which the earnings of a company producing newsprint only would be affected. Furthermore International earnings from power are large and will grow in the future.

The point is worth making here that the varied production is perhaps of more importance than it would seem on the surface. For instance, the company's Kipawa mill produces nothing other than sulphite pulp—but for this pulp it receives a price which many manufacturers of high grade paper would be glad to receive for their finished product. The Kipawa sulphite is of a grade especially suitable to the production of rayon, or artificial silk. Some 250 tons of this pulp is produced daily.

Kraft Market Strong

While the newsprint and low grade sulphite markets are weak at the moment, the company obtains a satisfactory profit from its production of sulphate pulp and kraft paper.

Moreover, the formation of the new Canadian Newsprint Company which controls some 50 or 60 per cent. of the Canadian newsprint output indicates that there is little possibility of a cut in the contract price of newsprint; had a price cut been coming, it would probably have come ere this.

But these favorable factors are not being placed before the investor with the idea of forecasting a rise in the price of the common share of the company. At the moment, there is nothing which gives any indication that enhanced prices for the stock will prevail in the near future. In view of the fact that the United States newsprint mills are operating at 82 per cent. capacity and the Canadian mills at 86 per cent., it would hardly indicate anything like any immediate increase in the price of shares of the companies engaged in the manufacture of newsprint.

Another point about the company on which the investor might ponder is the International Paper's equity in the Gatineau Power. It is not known just exactly how much cash the parent company put into, or will put into this undertaking. But even to-day it is the general consensus of opinion that it could sell this wholly-owned subsidiary at a price which would show a profit of many millions of dollars on the equity which it holds.

First Canadian Mill

The first mill of the company in Canada was completed in 1922 at Three Rivers; this plant has since been enlarged and is now the largest newsprint mill in the world.

When International Paper Company was formed in 1898 by merging a group of pulp and paper companies in New York and the New England states, it became the largest manufacturer of paper in the world, and that position has been maintained and strengthened during the intervening years. In the first 20 odd years of its history, International Paper was for the most part a manufacturer of newsprint at a number of scattered American mills, in many of which the cost of production became extremely high, owing to the exhaustion of the adjacent sources of wood supply. The erection of the Three Rivers mill in Quebec was the first step in the change in character which the company has undergone in the last few years. The policy of the company is to transfer the bulk of its newsprint production to Canada.

Output is Concentrated

The output in Canada is concentrated in a few modern mills, well equipped and with low production costs, so located as to possess cheap power, and backed up by large reserves of timber. By the purchase of the Riordon-Gatineau properties—some 2,000 square miles of timber land—and the purchase of 600 square miles of Crown timber limits in New Brunswick, International Paper is now in a position to manufacture on a very large scale without danger of exhausting its supply of raw materials, which are located near its mills and which can be handled at low cost in most instances.

International Paper Company and its wholly-owned subsidiaries own some 25 paper and pulp mills in New York and the New England states, Louisiana, Arkansas, and the provinces of Quebec and Ontario. At present International Paper is twice as large as any other paper company on this continent. Its mills include some of the largest and most efficient plants in the world, which will shortly have a daily capacity of over 3,800 tons of various classes of pulp and paper.

The Three Rivers newsprint mill, at the junction of the St. Lawrence and St. Maurice rivers, with a capacity of 700 tons of newsprint daily, is situated on tidewater, and its wharfage facilities are excellent.

The Kipawa Mill

The first two machines of the new 600 ton Gatineau newsprint mill are now operating and it is expected that by August next, the entire mill will be in operation. The Kipawa sulphite mill is one of the best equipped pulp mills in the Dominion, and has natural advantages which insure production at moderate cost. Expansion and improvements have been carried on in the same way in the States. The company has now two mills at Bastrop, Louisiana, both operating at capacity. Construction of new mills continues in the States also, and the increase in the demand for sulphite pulp and for kraft paper there has resulted in a large increase in production during the last three years. It can be clearly seen that International Paper has been, and is, constantly advancing its position through the adoption of a policy of enlargement of its manufacturing facilities. This policy of enlargement and improvement has been justified, for the additional capacity added to the mills has been necessary, so that the company might meet the growing requirements of its customers.

Southern International Paper

The most recent expansion in the United States consisted in the formation of a new wholly-owned subsidiary, the Southern International Paper Company. This new organization operates three kraft mills in Louisiana and Arkansas. The economic trend of the kraft industry in the United States is towards the south, where wood suitable for the manufacture of kraft is obtainable at less cost than in the north. The trend of the newsprint industry in the States is northward, thus International in its expansion is following sound economic lines.

The larger proportion of the company's United States timber holdings are located in the state of Maine; its other timber limits aside from those in the South are located in New York, Vermont and New Hampshire. International's United States mills are scattered over the north-eastern states and in the northern sections of New York state.

While the International Paper's United States activities are large, it will perhaps come as a surprise to many investors to learn that its last balance sheet shows that well over half of its total investment in plant and timber reserves is located in Canada. In its expansion in the Dominion the management has very wisely seen to it that a not insubstantial percentage of its securities are held in this country also. The investment interest in the company in Canada is steadily and surely increasing.

Pulpwood Position Strong

The position of International Paper Company with regard to pulpwood resources is particularly strong. The company and wholly-owned subsidiaries own in fee 2,048,724 acres of tim-

(Continued on page 7)

Investment Securities
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PORT ALFRED PULP & PAPER CORPORATION
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Mills at PORT ALFRED, P.Q.

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Pulp and Paper Mills Power Developments

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WABASSO COTTONS enjoy the unstinted approval of discriminating women all over Canada. They find them best for undergarments, dresses, rompers, sheetings, etc., because they stand up stoutly to the most strenuous wear, yet retain their original beauty.
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Wood Barking Drums. Dayton Beaters. Log Hauls and Slashers, etc. Agitator Equipment, etc.
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Automobile and Piano Paper
MANUFACTURERS FINANCE CORPORATION LIMITED
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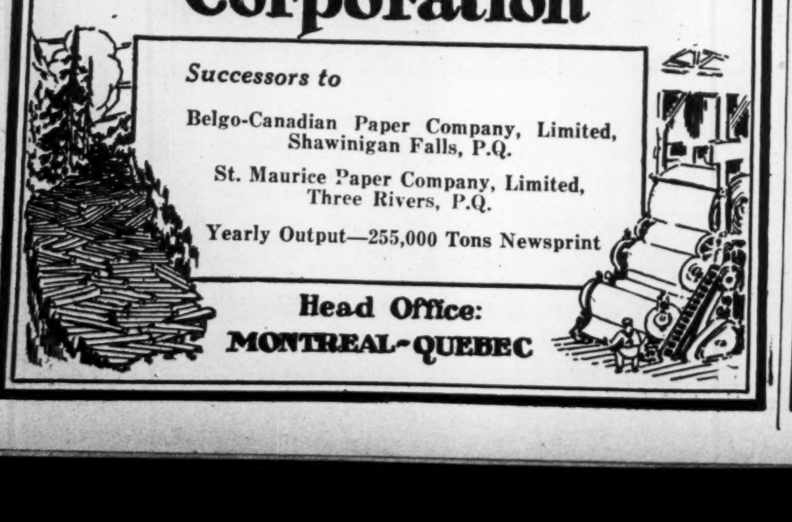
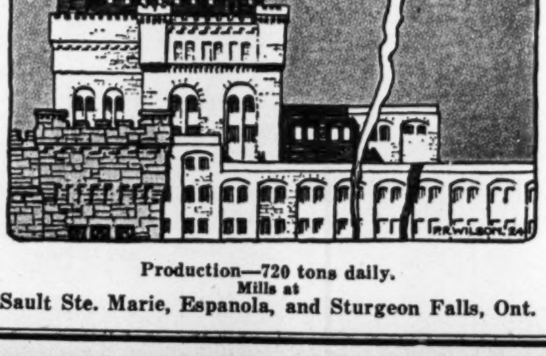
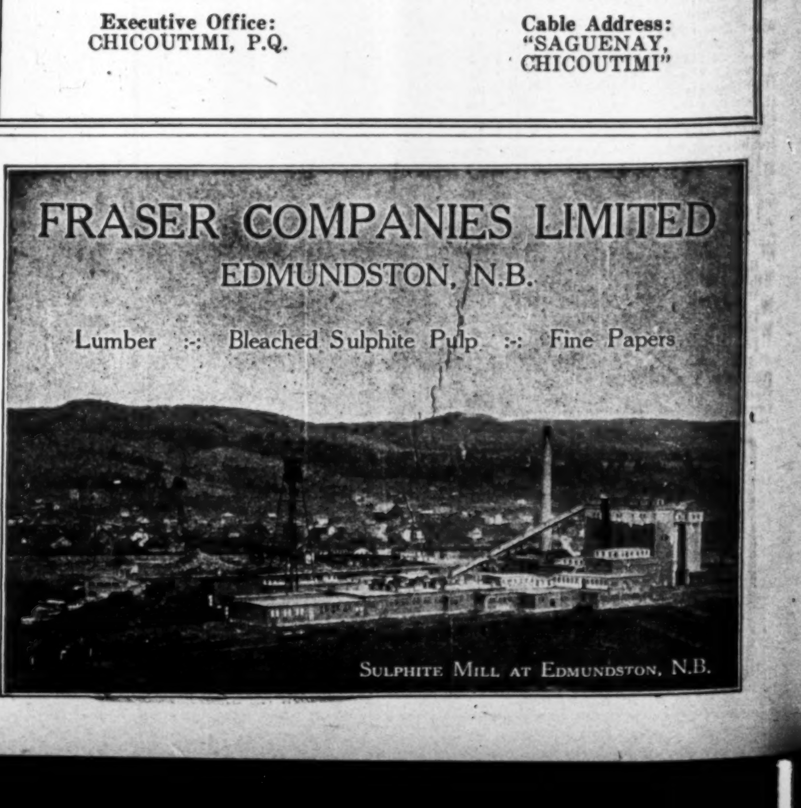
Quebec Pulp and Paper Mills
Limited
Executive Office: CHICOUTIMI, P.Q.
Cable Address: "SAGUENAY, CHICOUTIMI"

St. Maurice Valley Corporation

Successors to
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited, Three Rivers, P.Q.
Yearly Output—255,000 Tons Newsprint
Head Office:
MONTREAL-QUEBEC

The Spanish River Pulp and Paper Mills Ltd.
SAULT STE. MARIE, CANADA
Manufacturers of News Print Paper

Production—720 tons daily.
Mills at
Sault Ste. Marie, Espanola, and Sturgeon Falls, Ont.



BANKING LIBRARY CHIEFLY CONSISTS OF CURRENT DATA

Economist of Royal Bank Tells How Institution Keeps Informed

By DONALD M. MARVIN,

Economist Royal Bank of Canada, Address to American Library Association meeting in Toronto.

Through its library, a bank may keep its finger on the pulse of international events, the changes in tariff or taxation or government monetary policy which may result in the inflation or contraction of currency, a change in the channels of trade or an impetus to the development of new industries. The appreciation on the part of the executive officers of their need for varied and detailed information is the factor which accounts for the rapid increase in the number of financial libraries in the trading centres of the world.

The banking system of Canada consists, in the main, of eleven chartered banks with nearly four thousand branches located in all parts of the country from Halifax on the Atlantic to Vancouver on the Pacific. The Royal Bank of Canada is the one of these banks which has the largest number of branches, both in Canada and abroad. The Royal Bank has more than 700 branches in Canada, and has branches throughout South America and the West Indies, and in London, Paris, Barcelona and New York. Naturally, it is necessary for a bank with such wide connections to keep in touch with business conditions throughout the world. One aid to the solution of this problem is the library at head office for the collection and dissemination of publications dealing with problems of world commerce.

Take Many Good Papers

Much information may be obtained from books, but the most up-to-date material on economic conditions and commercial and financial statistics is found in current periodicals. For this reason, the library receives over 150 periodicals and newspapers, a large number of which are circulated among members of the staff; articles which would be of special interest are brought to the attention of the proper officials of the bank, and those which contain valuable reference material are indexed. A number of these periodicals are bound, others are kept unbound, and the rest eventually discarded.

Useful files of pamphlets and reports have been built up and these are indispensable in answering reference questions. The necessary reference books, such as encyclopedias, dictionaries, year books, directories, together with books on commodities and countries, constitute the backbone of the library.

The great national newspapers and periodicals, such as the Manchester Guardian, The New York Times, The Economist, and the Commercial and Financial Chronicle, are valuable sources of reference concerning foreign conditions, but banks frequently require more detailed information than that which is available in these sources, and for this reason the library needs a wide variety of foreign periodicals. Important decisions may hinge upon the question as to whether a country is in a position to return to the gold standard. Provision must be made to finance the expanding commerce of Latin America, and detailed market information concerning coffee, rubber and cocoa must be available. While the library may have a considerable amount of material which will throw light upon some general trend, it frequently happens that letters from foreign representatives or the first-hand reports of experienced foreign observers will be of greater value than any published material. In such cases, the library may supply supplementary information or statistics which will throw added light upon these reports. Excellent compilations of production and consumption statistics and prices are available in such reports as those of the New York Journal of Commerce, and the Statist. Special trade papers furnish an intimate view of happenings within an industry or the conditions of a particular market.

Canadian conditions are so closely related to conditions in the United States that the publications of the Harvard Economics Department or the Annals of the American Academy, published by the University of Pennsylvania, may be considered among the most valuable reference sources which might be mentioned. Reviews of business conditions published by the banks and financial houses of various countries contain excellent summaries of general business conditions. From this group, I will mention only the reviews published by Westminster Bank, the Cleveland Trust Company, the special reports of the Chase National Bank; and for Canadian conditions, the Monthly Letter of The Royal Bank of Canada.

Questions to be Answered

In order to appreciate the necessity for a wide variety of material in the library, it is necessary to know some of the questions which have to be answered. Canadian foreign trade now has an annual value of more than two billion dollars and it is expanding at a rapid rate. When the manufacturer wishes to introduce his goods into a new foreign market, he frequently turns to the bank for assistance. How many pianos are imported into Argentina or Brazil? What prices and styles are popular in these markets? How shall they be packed in order to stand the trip through the tropics? Can they be distributed more effectively by wholesalers or importing agents? Are these markets as attractive as those furnished by British possessions, or France or Spain where Canadian goods have a preferential tariff?

So far as the importer is concerned, there is a corresponding group of questions which require careful answers. Recently, Canada and the British West Indies made a new trade agreement; one item under this agreement permits sweet potatoes from Antigua to enter Canada under a preferential tariff. How much of a market does Canada provide for sweet potatoes? What are the steamship and railway freight rates? What certificates of origin are required? How does the combined cost of production and freight compare with the same factors when the potatoes come from New Jersey? In some cases, the Canadian manufacturer does not wish to export, but does wish to know how the costs in Canada compare with prices abroad, plus freight and tariff, so that he may compare his position with that of the foreign manufacturer. A surprising amount of all this information may be available in the bank library. The remarkable natural resources of the country are attracting capital at the rate of $300,000,000 a year, and foreign investment now totals more than five and one-half billion dollars. What is the annual consumption for a given product? How much is now produced within the country? What protection is offered by the tariff? What localities furnish the most satisfactory site?

Asking Questions in Canada

For Canada, in which the bank is carrying on its main banking business, both the executive officers and clients expect the library to maintain complete files of information and statistics concerning the situation in each industry. Canada stands on the verge of a period of wonderful expansion. In each industry there are remarkable opportunities. In agriculture, the annual crops are worth about one and one-half billion dollars, and there must be complete statistics concerning acreage, crop condition, crop yield, prices and markets. Dairy products alone have a value of more than $250,000,000. The recent marvelous discoveries in the mining areas of the country are attracting attention throughout the world. Canadian manufacturing is branching out in many new directions and there is a constant demand for new statistics and for data of various types. The pulp and paper industry of Canada now leads the world. Enquiries come to the bank from home and abroad as to the investment opportunities offered in many lines of manufacture.

To assist in answering such enquiries concerning Canada, every possible index of business conditions must be kept up to date. Railroad earnings, freight loadings, employment and building statistics, production of automobiles, newsprint, steel and flour each have their place in assisting one to secure a clear viewpoint concerning the general situation.

Even in the academic world, the day has passed when a man may hope to write a compendium of all human information; to-day is the day of the specialist. The man who desires information concerning wheat must be able to command accurate information in widely separated fields; he must learn the geographic factors which make for the productivity of the farming areas in his own and other countries. The failure of the rice crop in Japan or India, the development of new shipping routes or the change in a transcontinental freight rate may each, in turn, be a matter of prime importance in the study of wheat. From the chemist he may hear of protein content or the comparative values of different fertilizers; from the botanist, of new varieties and the length of time and hours of sunshine required for each to ripen; from the biologist concerning rust, and from the engineer and physicist of the adaptability of the new combine harvester for harvesting wheat in the particular territory in which he is interested. The executive who deals with such factors in a practical manner cannot hope to know these things himself, but must seek the opinion of those who are best informed on this and a thousand other topics. If his library is well adapted to his requirements and contains suitable current scientific periodicals, he will find the latest information in condensed form. Brilliant research students, renowned scientists and famous engineers await the opportunity to offer their assistance.

INTERNATIONAL PAPER, DAILY BECOMES MORE AND MORE CANADIAN

(Continued from page 6)

ber lands and stumpage rights on Canadian Crown timber leases cover an additional 11,539,035 acres, the total area being larger than the combined areas of Massachusetts, Connecticut and New Hampshire. On these lands the pulpwood is estimated to be in excess of 51,700,000. With these immense holdings the company's reserves of raw material are almost limitless. It is estimated that by the time the present tracts are cut over once sufficiently large areas will have reforested themselves to provide adequate supplies for the future. The policy of carrying the woodlands on the books at a conservative figure does not show the increasing value of the standing timber or its growth. It is obvious that an appreciation in value will follow the constantly decreasing supply on the continent, but on the average, woodlands and timber limits are carried in the balance sheet at about $1.50 per acre.

Size of Timber Reserves

It requires at most about 1½ cords of wood to manufacture a ton of paper or of pulp. Last year the total pulp and paper production of International amounted to 740,172 tons. Taking this year's output at 1,000,000 tons, it will be seen that the present timber reserves of the company, without including the natural regrowth, the pulpwood purchased or the additions to its limits which it is presently purchasing, contain actual lumber sufficient to feed the mills for a period of 35 years. This is figured on pulpwood resources of 51,700,000 cords.

International Paper is a power to be reckoned with, not only in the newsprint but in the hydro-electric world. During the last few years expansion has also taken place in this department of the company's activities, and International and its subsidiaries now have in operation, or under construction, water powers aggregating 700,000 horse power, of which 600,000 horse power is hydro-electric and 100,000 horsepower hydraulic.

Water Power Resources

The water powers which International owns are capable of being increased through further development to produce 1,500,000 h.p. The company has now begun its career as a public utility. The sale of power through the development of the water power properties will ultimately tend to stabilize the company's annual earnings. Two of the three developments of the Gatineau Power Company are nearing completion and are now delivering power.

The power generated here is more than enough for the requirements of the newsprint mill and long term contracts for the sale of power have been executed with the Ontario Hydro Electric Power Commission and other companies. Earnings from these contracts, together with the sale of the remaining power still unsold, will, it is anticipated, produce annual net earnings, upon the completion of the full installation, exceeding $2,500,000 available for dividends on the stock of the Gatineau Power Company held by International Paper. The Chelsea and Farmers developments are now completed and the Paugan development will be ready in 1928. The power development of the company in the Maritime provinces is under way at Grand Falls, St. John River. This development is planned for an installation of 80,000 horse power in four units, three of which are expected to be installed initially. Part of the power of this plant has been sold to the Fraser Companies, and an option on a portion of the output has been given to the Hydro-Electric Power Commission of New Brunswick. The larger part of the balance International plans to use at a newsprint mill, or mills, to be built in New Brunswick. Further extensive developments are going on in the United States.

Mills Are Changing

Great changes, other than mere physical expansion, have been brought about in the entire pulp and paper industry through the shifting of the newsprint industry from the United States to Canada. This is reflected in the changes in structure of the International Paper Company. Many of the newsprint mills in the United States which are not so advantageously located from the point of view of raw materials, as the Gatineau and Three Rivers mills, are being converted to other uses. The Niagara Falls mill has been rebuilt from the production of book and bond papers, and is now operating profitably on this new basis. This type of construction and change will eventually be made in all the United States mills of the company.

With these changes and developments International Paper finds itself in possession of supplies of hydro-electric power in excess of its own requirements, due to the fact that the production of newsprint requires more power than high grade paper. Thus electric power is now being sold to public utility and industrial purchasers, bringing substantial profits each year. The Sherman Island power plant alone—on the Hudson River—adds over $500,000 annually to the company's profits.

A Canadian Company

The Canadian properties of International now play a predominant roll in the company's plant account, which at the close of 1926 was carried on its books at over $113,000,000. The United States mills are included in this figure at $29,850,000, whereas the Canadian mills are carried on the books at $41,186,000. Miscellaneous properties are carried at $7,000,000 and power properties and utilities are carried at $35,378,000—but the greater portion of this last figure, it is understood, is made up of the company's Gatineau and New Brunswick power properties. Thus it appears that now the International Paper Company is in reality more of a Canadian than a United States organization.

The total fixed assets of the company are carried on its books at more than $182,000,000; in this figure is included plants, timber limits and securities of one kind or another. Some of these securities include stock in paper companies in which the International Paper holds but a minority stock interest.

For the immediate future it can be anticipated that earnings from many of what might be called the company's subsidiary operations will increase. Especially so is this the case in the revenues from its power sales.

Stock Looks Attractive

To sum up the position of the company it may be said that the present hesitancy in the newsprint market coupled with the gigantic expansion programme which has been underway for a number of years are factors which tend to make the common shares less attractive to the investor who is not looking for a speculation.

The favorable factors surrounding the company include the fact that it has picked up large properties during the past three years at bargain prices, that its timber is carried on its books at a very low figure; that much of the funded debt in the balance sheet is not a charge against the company but only against its subsidiaries; that, with capital assets now carried at some $182,000,000, in the last ten years over $58,000,000 has been ploughed back into the property—$27,000,000 in depreciation and $31,000,000 into repairs to plants; that the bonded debt on the Canadian timber and Canadian paper mills is negligible, and, finally, that over the next two, three or four years, the company should be in a position to reap large earnings from its present programme of expansion.

THE home is no place for valuable papers—neither is your office. For a small sum you can have the protection of a Safety Deposit Box. We shall be glad to rent you one.

To safeguard Wills, Bonds, Stocks, Deeds, Policies, Family Papers Small Jewellery, etc., etc.

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The Royal Bank of Canada

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NOTICE is hereby given that by Order of the Supreme Court of Nova Scotia three (3) Coupons from the 5% First Mortgage Gold Bonds of Dominion Iron and Steel Company, Limited, maturing the 1st July, 1929, viz.: the Coupons due respectively the 1st July, 1926, the 1st January, 1927, and the 1st July, 1927, being numbers 54, 55 and 56, will be paid on and after the 2nd July, 1927, on presentation thereof at the office of the Bank of Montreal, in the City of Montreal.

Bondholders may, if they wish, present their Coupons through their own banks.

Copies of our circular to the First Mortgage Bondholders may be obtained upon application to National Trust Company, Limited, 153 St. James Street, Montreal, P.Q., and 20 King Street East, Toronto 2.

NATIONAL TRUST COMPANY, LIMITED,
Receiver and Manager.

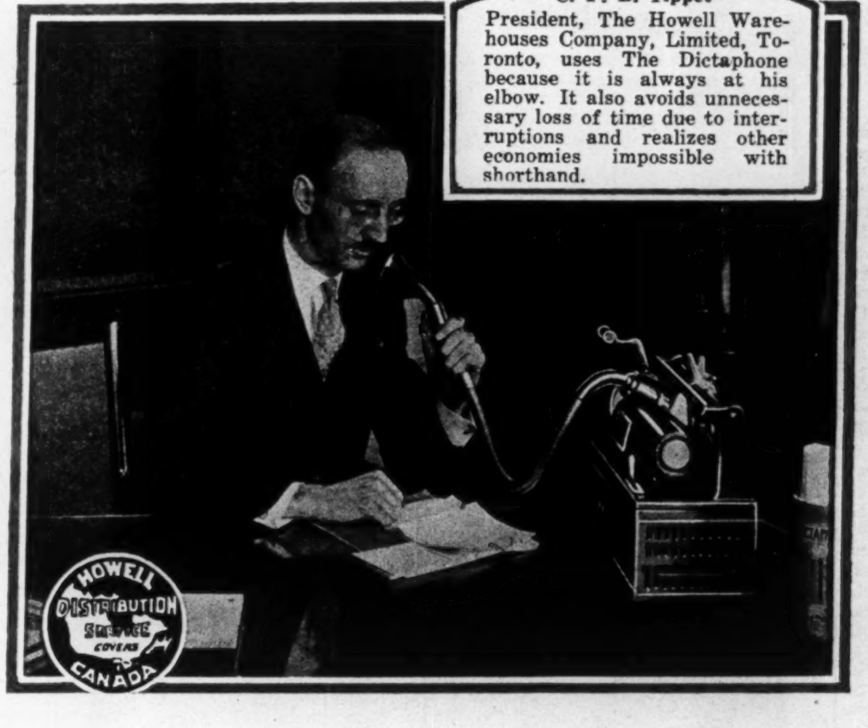
DOMINION IRON AND STEEL COMPANY, LIMITED,
153 St. James Street, Montreal, P.Q.

What's Wrong With Shorthand?

Secretaries Say:—

"Hours wasted while he's in conference."
"No one else can read my notes."
"I'm nothing but a bell-hop."
"These endless notes make me dizzy."
"I'm sure he said that, but...."
"Yes, I do mind staying late."
"Cold notes are maddening."
"No time for real secretarial work."

That's enough! I'll show him this trial offer right now.



C. F. B. Tippet
President, The Howell Warehouses Company, Limited, Toronto, uses The Dictaphone because it is always at his elbow. It also avoids unnecessary loss of time due to interruptions and realizes other economies impossible with shorthand.

What's Wrong With Shorthand?

Executives Say:—

"I'm forced to cut dictation short."
"If she could only take it as fast as I think."
"She can't help me with other things."
"If I could only dictate while it's fresh in my mind."
"Pshaw! she's gone. I'll have to wait till tomorrow."
"I had all this clear in my mind last night."
"It's the 'ring and wait' system."

That's enough! I'll send in the coupon below on general principles.

"I clean up dictation as I read my mail—

"Then and there I decide what to say and say it —to my Dictaphone. Result is better letters."

Gertrude Egan
Mr. Tippet's Secretary, counts The Dictaphone among her best friends. Why? Because it opened the door to opportunity for her, and enabled her to rise quickly to the responsible position she now holds.

That's part of the experience of C. F. B. Tippet. Read his other comments. Then resolve to accept coupon offer and try The Dictaphone yourself.

"I HAVE three good reasons for using The Dictaphone myself and for recommending it to others: It enables me to dictate replies immediately after reading letters I receive, while all particulars are fresh in mind. It minimizes the loss of time which frequent interruptions involve. And it decreases correspondence costs by eliminating certain faults and practices inherent in the outworn shorthand system."

These words, coming from C. F. B. Tippet, President of The Howell Warehouses Company Limited, of Toronto, command respect. They recite facts attested by scores of other Canadian business men. Mr. Tippet continues:

"It's a wasteful habit to read mail and lay it aside for later dictation, or to keep a stenographer waiting while you read it or are interrupted.

"Her time is wasted during dictation also—unless you use The Dictaphone—for with the Dictaphone she can be busy on other necessary work regardless of what you do.

"I answer letters as they come in without any set hours for dictation. If somebody breaks in by 'phone or in person while I'm dictating I can listen back when he finishes, pick up instantly my train of thought and proceed where I left off much more quickly than with shorthand.

"The net results of using The Dictaphone are lower correspondence costs, an increase in my own output and greater convenience all around."

MAIL WITH YOUR LETTERHEAD TO

Dictaphone Sales Corp. Ltd.

33 Melinda Street, Toronto

T. R. CRAYSTON,
General Manager

☐ I want to read what leading executives or secretaries say about increasing their ability with The Dictaphone. Mail me FREE copy of your booklet, "What's Wrong With Shorthand?"
☐ I am a Secretary ☐ Executive
[Check one]
☐ Please notify your nearest office to let me trya New Model 10 without obligation.
TF4

World-Wide Organization—U.S.A., London, Paris, Brussels, Sydney, Shanghai, etc.

DICTATE TO THE DICTAPHONE

"Reg. Canada."

and double your ability to get things done

Hiram Walker Shares Appeal to Beverage Investor as New Management Expands Business

Added Products Are Helping Company to Increase Sales

EXPORT TRADE GOOD

Domestic Activity High, Also, Due to Good Repute of Beverages and of Advertising

Investment interests which are favorably disposed toward the liquor stocks are predicting a renewed accumulation of the stock of Hiram Walker, Ltd., on any market trend which carries the stock below the peak reached a week or two ago. The shares have receded somewhat in the last few days, but as will be seen by the accompanying chart, these shares have enjoyed a steady rise on the Toronto exchange since the issue last January by the stock-brokerage firms of Osler & Hammond and Mara and McCarthy. Latterly, with the stock selling above 50, there has been some hesitancy on the part of that portion of the public which likes its profits quickly to consider the shares worth its present price.

From every authentic report that has come to hand, however, it appears as if the stock is worth its present price. There are a number of favorable factors with regard to this stock even if the market pessimist is skeptical of the reports that earnings have increased materially since the new management took over the plant and since the Ontario government began opening its liquor stores. And with regard to these reports, it may suffice to say that they have been confirmed to The Financial Post in a source which invariably has proved reliable in its information.

Is Widely Distributed

Among the favorable factors, aside from the increase in earnings, is that the issuing houses have demonstrated a consummate skill in securing wide distribution of the stock in investment hands. This has been a great help in maintaining a good market and is a degree of reassurance that should there be a bad slump in the market, the stock is not likely seriously to recede, although fractional fluctuations will not be absent.

Of equal, or greater, importance to the investor is the fact that every dollar of earnings above operating and administrative expense is available for dividends on the stock. There is no mortgage on the plant at Walkerville and there is no preferred stock having a prior claim on earnings. The only debts of the company are its ordinary commercial obligations and its bank loans. It is understood that the bank loans, which stood at $4,000,000 at the time of the organization of the holding company, are being reduced rapidly.

It is not the present policy of the company to issue reports of earnings, but at the time of the issue of the new stock last January it was stated in the prospectus that the average earnings for the previous seven years had been slightly in excess of $1,500,000 annually—$1,524,417 to be exact. A million and a half a year is $3.75 the share on the 400,000 issued shares of no-par value. At $2,000,000 the earnings would be $5 the share.

Since being taken over by the new management it is known that the former rate of earnings has been exceeded considerably. In addition, it is said on excellent authority that the volume of both foreign and domestic business is constantly increasing, even if, for the moment the expected increase in revenue from Ontario is not taken into account. It will be several months, probably, before an accurate estimate of this revenue can be obtained, for the reason that the trade has not settled into routine lines, and because the government as yet has not opened many stores which are planned to be opened.

Adds New Brands

While the new company is taking full advantage of the great name which has been built up in Canada and nearly all foreign countries for Canadian Club whiskey, the business is being expanded further very rapidly by the introduction of additional brands. The complete list of brands of liquors now distilled, blended and marketed at Walkerville is:

Canadian Club Whisky
Imperial Whisky
Walker's Old Rye
Walker's Epicure Highland Whisky
Walker's Bourbon
Walker's American Rye
Walker's London Dry Gin
Walker's Canadian Club Manhattan Cocktail.
Walker's Martini Cocktail.

Walker's Canadian Club and Walker's Imperial have become famous throughout the civilized world. Epicure Highland Whiskey, Bourbon and American Rye Whiskies and London Dry Gin and the Martini Cocktail are new lines that have been placed on the domestic and export markets only since the change in ownership. It is said that these have all met with instant favor and show excellent promise of future success. The Epicure Highland Whisky is a Scotch type consisting of a blend of the finest Scotch malt whiskies and selected grain. It is believed to be in every way equal to the best imported brands of Scotch.

Although liquor advertising has not been permitted in Ontario under the amended laws, there is no such disability in Quebec, British Columbia, Alberta, Saskatchewan and Manitoba. The old company began advertising its products in those provinces three years ago and the new company is carrying on the campaign even more aggressively under the direction of a capable agency.

Develops Export Trade

The new company is taking active steps to increase its export trade, which has for many years been an important phase of its business. Agencies long have been maintained in every part of the globe. One of the firm's representatives is at present on a trip through South America, visiting representatives and dealers in the different countries and studying and reporting on conditions in the trade. Newspaper advertising is being conducted in most of the Central and South American republics and it always has been the policy of the company to make a wide distribution of signs, advertising novelties, cocktail booklets, etc.

The history of the company's export business is interesting. Although the late Hiram Walker established the business at Walkerville in 1858, there was no attempt to open an export trade until twenty years later. The first office outside Canada was opened in London in the fall of 1888. For the first few years, progress was exceedingly slow, and the experiment looked very doubtful; but finally more rapid headway was made until to-day it is admitted that no other single brand is so widely distributed as Canadian Club.

Offices in New York and Chicago were opened three years after, in 1891 and 1892, and marked the beginning of a United States business that ultimately assumed extraordinary dimensions. The popularity of Canadian Club in that country prior to the advent of prohibition is too well known to require further comment.

Besides the South and Central American sales efforts being exerted at present, it is important to note that the London agency is active in further development of business in designated territories in Europe, Africa and India and other parts of Asia which come under its jurisdiction. Major Gerald E. Thompson is the new European manager. The continental agencies are now in process of reorganization, looking to an enlarged business in the several brands of the company's product.

Stocks Increasing

At the time of the purchase of Hiram Walker & Sons, Ltd., by Hiram Walker, Ltd., the stocks on hand consisted of approximately 4,000,000 gallons of whisky and spirits. Being anxious to increase the sale of their products throughout the world, the new management at once instituted steps to build up the stock. While sales have been heavy since the change in ownership, the plant has been operating at capacity and the stock has been very substantially increased, being now greater by several hundred thousand gallons than the original figure of 4,000,000 gallons.

Plant is a Marvel

Although since beverage companies have come to be of public investment interest it has been the custom to estimate the worth of the company and its shares by the market value of its matured and maturing liquor, owners of stock in Hiram Walker, Ltd., should not overlook the fact that the plant at Walkerville is one of the best—and it may be the best—of its kind in the world.

There are now many industries at Walkerville, which is not the least important of the Border Cities. But the town was founded by Hiram Walker and for many years thereafter the distillery was almost its sole industry. Hence the name of the municipality.

The manufacturing plant is complete in every detail. It includes a modern malt house equipped to produce all the malt required for distilling purposes, and to allow a surplus for sale to other industries. From a manufacturing viewpoint, the company has the largest capacity for the distillation of spirits from grain, of all the distilleries in Canada.

The cooperage plant, for the manufacture of all sizes of barrels, is capable of taking care of the full requirements of the plant, and also allows a surplus production of barrels for sale.

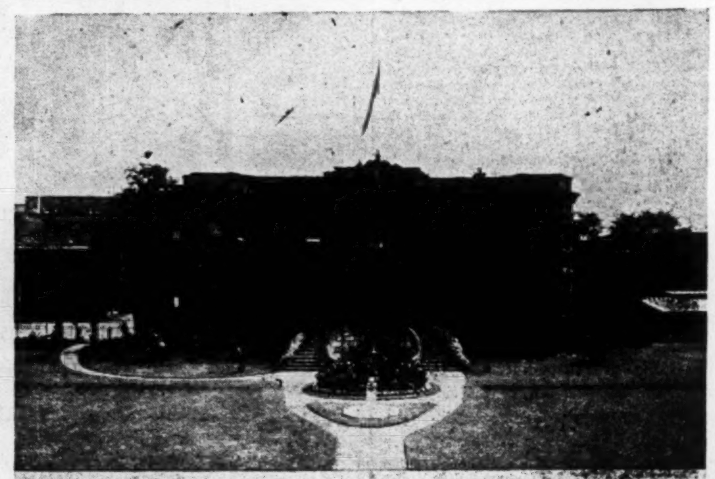
Part of the distilling premises consist of 1,400 feet of waterfront on the Detroit river, all of which is available for dockage. Recently a first-class concrete wharf was constructed along the whole of this front, which represents virtually the only dockage available in Walkerville. Coal for fuel is brought in by water, effecting a saving of between $15,000 and $20,000 annually in the company's coal bills alone. The company also is able thus to effect a considerable saving in the handling and elevating of grain used for distilling purposes.

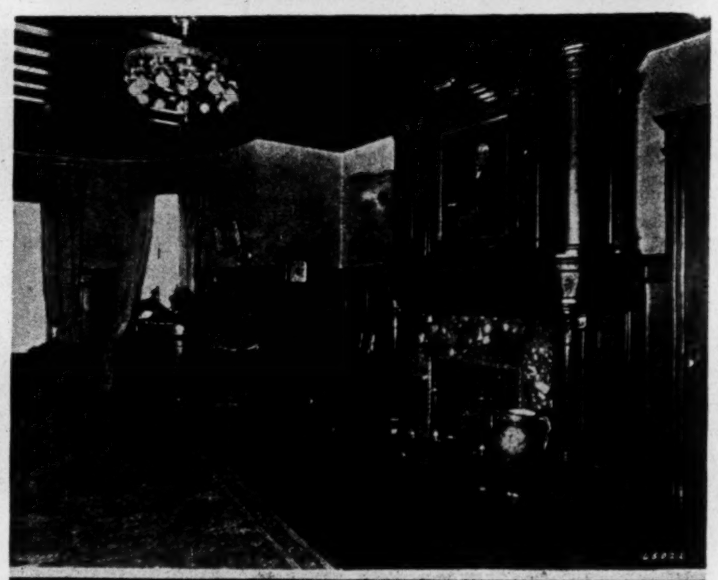
Reduces Insurance Rate

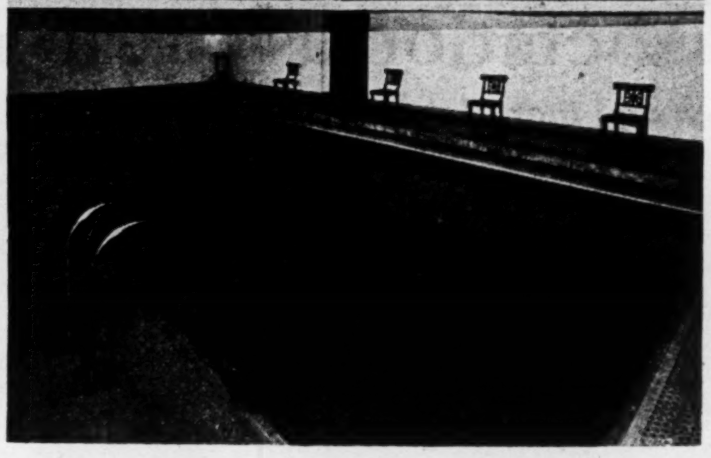
A complete sprinkler system is presently being installed throughout the plant, and represents the largest single contract of its kind ever placed in Canada. The annual saving in insurance premiums, due to this added protection, will amount to approximately $50,000.

Of peculiar interest to the visitors at the Walkerville distillery are the rack warehouses, which provide the largest storage facilities of any distillery in Canada. There is room for the aging of 6,000,000 gallons of whisky in the wood at one time. There are also several buildings for the storage of alcohol for commercial purposes in copper tanks. It always has been the policy of Hiram Walker & Sons, Ltd., to mature their whiskies in wood alone. Copper tanks are employed only for the storage of industrial alcohol, which cannot be kept to advantage in wood owing to consequent discoloration and to the loss of strength through evaporation.

Where Canadian Club is Manufactured



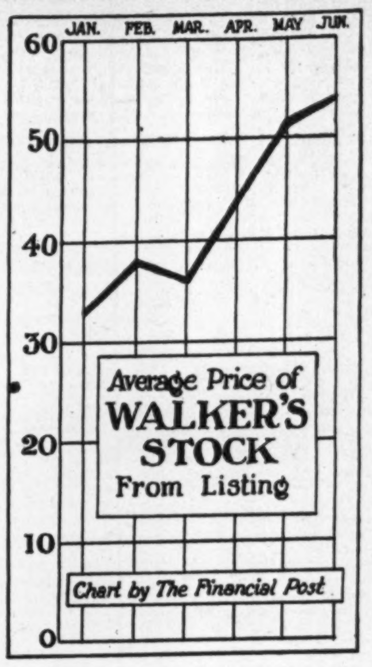




The top picture is a view of the general offices of Hiram Walker & Sons, Ltd., at Walkerville, looking from the wharf. Second from the top is a picture taken across the railrood track in among the storage warehouses where 6,000,000 gallons of whiskey may be aged in the wood, and where are nearly 5,000,000 gallons in process at the present time. The trestle crossing the yard carries pipes in which the distilled liquor is moved from vats to storage racks, and to bottling rooms.

Second from the bottom is an interior room in the office building where visitors usually are received. The painting is a famous portrait of Sir Hiram Walker, the founder of the business. The bottom picture is of the swimming pool which is for the use of the staff and visitors.

The main office has for many years proved a great attraction to the thousands of visitors annually arriving in the Border Cities and Detroit. A large addition was made in 1921, and the present building now constitutes one of the finest groups of offices to be found in Canada.



ENGINEERING WORKS SPLITS ITS STOCK

Increased Dividend Would Benefit Dominion Bridge Company

From Our Own Correspondent.

MONTREAL.—The Dominion Engineering Works is to split its common stock. Five new shares of no par value stock will be given in exchange for each existing $100 par value share. The proposed change in the capitalization will be submitted to a shareholders' meeting on July 19.

The shares of Dominion Engineering Works are now selling at around 185; this gives a present market value to the new stock of $37 a share. The Dominion Engineering Works in 1926 declared two $3 dividends, making total payments during that year of $6. On April 1, 1927, the stock went on a regular 8 per cent. dividend basis with an initial $2 disbursement to the shareholders for that quarter.

The split in the stock indicates that the disbursements to the shareholders will be increased and it is anticipated that the new stock will go on a $2 annual dividend basis. This is the equivalent of 10 per cent. per annum on the present stock.

Finds Good Markets

Due to the demand for equipment in the hydro-electric and pulp and paper fields, the company has been able to build itself up into a very strong financial and earning power position. Last year, the earnings on the stock amounted to $544,970 as against dividend payments of $133,998.

While the split-up in the shares and the increased dividend means much to the shareholders of the Dominion Engineering Works, it will also play a satisfactory role in the earnings of the Dominion Bridge Company, which, it is understood, owns some 57 per cent. of the stock of its subsidiary.

The Dominion Engineering Works has outstanding 22,233 shares of stock with a par value of $100. Of these the Dominion Bridge Company holds some 12,672 shares. The split in the stock will increase the outstanding capitalization of the subsidiary to 111,165 no par value shares, of which the Dominion Bridge Company will hold 63,360 shares.

On the existing dividend basis, the parent company obtains an annual revenue from Dominion Engineering of $101,376. When the stock is split and placed on a $2 dividend basis, this revenue will be increased to $126,720 annually.

PURE FOOD STORES EARNS $4 ON STOCK

First Annual Report Shows Satisfactory Profits and Financial Position

From Our Own Correspondent.

MONTREAL.—The first annual report of the Pure Food Stores for the year ending April 30, 1927, shows that the company is in a strong financial and earning power position, with earnings of almost $4 per share on the 11,500 shares of common stock outstanding.

The income account and the working capital figures follow:

Gross profits	$ 323,919
Int. on investments	4,832
Total	328,751
Operating expense	241,727
Depreciation	11,045
Taxes	5,359
Net	70,620
1st preferred dividends	11,375
2nd preferred dividends	14,000
Balance	45,245
Adjustment	1,775
To Surplus	47,020
Previous Balance	12,393
Surplus account	59,413
Earned per share on common	$3.93
Current assets	264,061
Current Liabilities	92,186
Working Capital	171,875

President's Remarks

In his remarks to the shareholders M. Zahler, the president, says in part:

"The past year has been most important in the history of your organization, showing an increase in turnover and in profits. In Montreal we have added 15 stores to our chain, and have under construction several more stores in desirable locations. Another event of importance, and one that in our opinion will have a far-reaching effect upon the future of your company is the extending of our operations outside the island of Montreal. Four stores were opened in the city of Ottawa in April, and several more are under lease and construction. This changes the status of the company from a local to a national concern.

"As in former years, the policy of your company has been to expand consistently and progressively out of earnings, and without incurring the danger of too rapid growth, or of expansion without consolidation.

"Your directors have deemed it advisable to retire 250 shares of the first preference stock outstanding, thereby reducing the fixed charges.

"The rapid expansion of your business during the past year, has involved considerable expense. Therefore, the increase in profit during the past year over the year before, should be gratifying to shareholders.

"Having in mind the rapid development in the chain store field in Canada, and your company in particular, your management looks forward with confidence to the future."

B.C. Fish Adds Two Vessels to its Fleet

The fishing fleet of the British Columbia Fishing & Packing Co., has been increased to 70 by the addition of two new vessels which were launched on June 15. All the company's vessels are held by the subsidiary company, Packers Steamship Co., Ltd., which is entirely owned by the parent company. Now that the old "Celtic" plant on the Fraser River has been finally converted into a shipyard, all the company's floating property will concentrate there every winter, and all repairs will be undertaken by the company at this one place instead of the former practice of repairing and harbouring the ships at shipyards all over the province. Fishing operations all along the coast have now commenced although the heavy work does not get properly underway until July and August.

WHEN CITIES SHIFT

Realtors to Discuss Problem of Creeping Centres in Cities

Cities creep; their business districts shift, with huge slow movements, as glaciers shift. The weight of population pushes the central areas out. Normally the expansion follows certain fairly defined principles as to the direction it will take. And with the creeping and sliding of business areas go tremendous changes in land values.

The shifting of business centers, which the Realtor and the investor in business property must constantly be measuring and foreseeing, will be pictured before real estate specialists of the United States and Canada at the coming annual convention of the National Association of Real Estate Boards. The convention will be held at Seattle, Washington, August 10-13.

ORE RECEIPTS AT TRAIL

Ore receipts at Trail smelter, of the Consolidated Mining and Smelting Co., from June 8 to 14, inclusive, and from Jan. 1, 1927, to date, in tons, were:

Company's mines	8,696	186,266
Other mines	2,890	76,079
Total	11,586	262,345

We Have Faith in Canadian Mines

Our opinion is based on exact information and personal examination

Consult Us

D. S. Paterson and Company

Members Standard Stock and Mining Exchange.

21 Richmond St. W.

Toronto 2

Phones: Elgin 7211 to 7216.

THIS ISSUE HAVING BEEN OVERSUBSCRIBED, THIS ADVERTISEMENT IS PUBLISHED AS A MATTER OF RECORD ONLY

New Issue

$278,900

Supertest Petroleum Corporation

Limited

7% Cumulative Class "A" Sinking Fund Preferred Shares

($100 Par Value)

Dividends payable semi-annually, May and November 1st, at par of exchange at any branch of the Canadian Bank of Commerce in Canada. Preferred as to Assets and Dividends. Redeemable as a whole or in part at any time upon thirty days' notice at $110 per share and accrued dividends or by purchase. The Company's Charter provides for a Sinking Fund for the redemption of the Class "A" Preferred Shares equal to at least 10% of the annual net earnings of the Company, after payment of dividends on both Classes of Preference Stock outstanding.

CAPITALIZATION	Authorized	Outstanding
7% Class "A" Sinking Fund Preferred Shares	$800,000.00	$500,000.00
6% Class "B" Preferred	200,000.00	200,000.00
Common Stock (no par value shares)	25,000	25,000

THE COMPANY. Supertest Petroleum Corporation, Limited owns and operates a number of well-equipped storage stations as well as controlling upwards of some 100 service stations, located at strategic points in Ontario and Quebec.

SECURITY. The 7% Class "A" Preferred Shares are the premier security of the Company, being preferred both as to assets and dividends, and ranking prior to the $200,000 of 6% Class "B" Preferred Stock, which is owned by the old shareholders who originally started the business.

ASSETS. The certified Balance Sheet of Messrs. Oscar Hudson & Company, Chartered Accountants, shows that the surplus assets over liabilities amount to $684,018.96, being approximately $137 for each $100 of Class "A" Preferred Stock issued, exclusive of good-will, trade-marks and copyrights. Current assets to current liabilities are in the ratio of over three to one, and the net current assets represent over 42% of the Class "A" Shares outstanding.

EARNINGS. The combined earnings of constituent companies since their inception have been particularly satisfactory, showing in excess of 25% per annum on the paid-up capital. The net earnings as certified for thirteen months ending October 31st, 1926, after liberal charges for depreciation, amounted to $80,457.23, or 35% on Preferred Shares outstanding.

Price: $100 Per Share and Accrued Dividend

Carrying a bonus of four shares of Common Stock with every ten shares Preferred

DICKSON, JOLLIFFE & COMPANY

INVESTMENT SECURITIES

Trusts and Guarantee Bldg. - Phones Elgin 2711-4480 - 302 Bay St., Toronto 2

Although the statements and figures presented herein are not guaranteed, they are taken from sources which we believe to be reliable, and on which we acted in purchasing these shares.

Public Utilities

SEE FINE OUTLOOK FOR UTILITIES IN MARITIME CITIES

Associated System Tells of Newly Acquired Canadian Interests

Description of the properties of Maritime Electric Company features the current issue of the house magazine of the Associated Gas and Electric System.

Article states in part:

The Associated System has been operating in the land of the Maple Leaf, in the Maritime provinces of New Brunswick, Nova Scotia and Prince Edward Island since the recent acquisition in Canada of the Maritime Electric Company, Ltd

The Maritime Electric Company operates in four distinct territories. The New Brunswick group operates at Fredericton, the capital and largest city of the province, and also at St. Stephen and at Calais, which is across the International boundary in Maine. Charlottetown is the centre of operation on Prince Edward Island, and the plant at Bridgetown, Nova Scotia, together with several small companies recently acquired along the Annapolis Valley, supplies power and light for that section of the mainland.

In the four properties there are a total of about 7,000 meters. The three properties known as St. Stephen-Calais, Fredericton, and Charlottetown, have about 2,200 meters each, and there are about 400 meters in Bridgetown. Recent acquisitions and extensions are expected to bring the number up to 1,000 meters in the Nova Scotia property before the end of the year.

Electric Ranges to Increase Load

There is no industrial demand outside of the usual incidental power business that the company expects to put on its lines within a short time. Growth will come largely from a greater number of house connections on existing lines and the greater use of electricity by present customers. Since there is no gas competition an increase in business is expected through the use of electric ranges.

An interesting future development in Fredericton is the possibility of greatly extending sales to residential consumers through this medium. A service charge form of rate has been put into effect which is in itself an inducement to consumers to use electricity for electric ranges and for all other household appliances. The Maritime Company confidently expects to set a record in the Associated System for the number of ranges installed during the next twelve months, in proportion to the number of meters in the territory.

Two Turbines for Charlottetown

When the Associated System took over the operation of the Maritime Company two power plants were found to be in rather poor condition. A 500 horsepower boiler and a 1,000 kilowatt turbine were installed in the Charlottetown plant last summer, and the further installation of a 500 kilowatt turbine is contemplated this summer. This additional turbine should make a well rounded plant at Charlottetown, and effect substantial savings in operation.

There will also be sufficient capacity to take on the expected increase in domestic and industrial loads, and the increase due to line extensions which are to be built within the next few years.

In Fredericton, New Brunswick, one modern water tube boiler and two horizontal return tubular boilers have been installed. Our prime movers consist of three turbines, one 350 kilowatts, another 300 kilowatts, and the third 125 kilowatts.

This plant is not advantageously located either for the receipt of coal or for condensing water. Considerable time has been spent endeavoring to secure water power for this section, but the cost of transmitting it makes the introduction of water power into Fredericton prohibitive at this time. After considerable study of the situation, the Company is now contemplating the installation of a 1,000 kilowatt turbine and a water tube boiler of approximately 400 horsepower. Ample condensing water can be secured by drilling another well.

With the installation of an additional turbine and boiler in Fredericton there will be ample capacity for all needs for some time to come.

Adequate Power Resources

In the St. Stephen-Calais branch energy is bought from a modern hydro-electric plant owned by the Canadian Cottons Company. The water power plant has a complete stand-by in modern steam equipment. The existing contract cares for present needs but there is also available as a source of power a dam and a small hydro-electric plant. Energy can be secured from this plant when requirements exceed the amount obtainable under contract with the Canadian Cottons Company.

In Bridgetown, Nova Scotia, a small hydro-electric plant takes care of present requirements. This plant now consists of a 125 KVA generator belted to a Pelton water wheel. There is under construction at this time an additional penstock, and a new water wheel driving a 250 KVA belted generator is soon to be installed. With this new capacity the Company will be able to care for about 1,000 meters which it expects to have on its lines before the end of the year.

The growth in meters in this territory has been very rapid during the last few months and will continue to expand at a rapid rate. When the property was taken over there were approximately 365 meters in the system. Through acquiring two other small properties, each with 150 meters, and through running lines out into surrounding territory, an increase from 365 meters to 1,000 meters is expected before the end of the year. This territory is largely rural. The farms are of a high grade and a rather large consumption per meter is anticipated after the territory has had the advantage of new business activity.

Abundant Water Power in Valley

In the Nova Scotia territory the company is primarily interested in an outlet for the sale of electricity. It is not worried about additional power sources, as there is a great abundance of water power within a short distance of the system. This water power in general is made up of small individual powers.

The territory back from the Annapolis Valley is very flat with an elevation some 300 feet or more above the valley. In this plateau country there are a large number of lakes, which incidentally, abound in fish. The plateau stretches over to the edge of the Annapolis Valley and the water rushes down streams at different points all along the valley. Available heads in these streams range from 200 to 400 feet, so that while the drainage areas back of these possible developments are small, yet the hydraulic engineer has the tremendous advantage of securing high heads with ample storage.

This takes care of future power requirements. The principal activities in this territory in the future will be in the field of new business, a field that the Maritime Company considers capable of great development.

The economic condition of the Maritime provinces is distinctly on the upgrade, and the future promises as much success relatively for the territory that is being developed as that enjoyed in any other section of the Associated System.

BOARD OF TRADE SUCCESS HOLDS UP WATER DEAL

"Alone He Done It" is Now Said of Senator Webster

From Our Own Correspondent.

MONTREAL.—To the keen delight of all Montreal business men, the Montreal Board of Trade has been successful in securing an injunction from the courts preventing the Montreal Water and Power Company arbitration from proceeding.

While the Board of Trade has been successful in obtaining its injunction, it has also two other cases still before the courts. The first action was taken to set aside the purchase of the property by the city. The Board of Trade alleged certain illegalities in the purchase proceedings. This case was decided against the Board, but an appeal has been entered.

The second case has been entered by one of the men associated with the Board and he alleges certain illegalities subsequent to the entering of the first suit by the Board. This action is still sub judice.

The injunction which has been secured prevents the city, the company or the arbitrators from fixing the price which the city will pay for the assets of the Montreal Water and Power Company. In Montreal, it is generally felt that the Board of Arbitration suggestion is something of a farce as both the city and the company have already agreed on the $14,000,000 purchase price and thus, it is felt there would be no real effort made before the Board to have the price reduced.

Other Legal Proceedings

Other legal proceedings touching the purchase of the property by the city have come before the courts and one of the city aldermen has been sueing the Montreal Standard for alleged libel. This case is being concluded and judgment will no doubt be forthcoming shortly.

When the deal was first announced, there were many who believed that there were others interested in the transaction besides Senator Lorne C. Webster, but all the evidence which has been brought out seems to point pretty clearly that "alone he done it" is not far from the truth. Some 93 per cent. of the stock of the company was owned by the Family Trust, which, it is generally conceded, was largely Senator Lorne C. Webster.

This success of the Montreal Board of Trade in preventing the immediate consummation of the deal is generally welcomed in Montreal where informed citizens look with concern upon Senator Webster's $4,000,000, 100 per cent. profit earned from his fellow-citizens within the space of a few months.

REPLACEMENT COST BASIS OF EARNINGS

Must be so Declares Important Decision of New Brunswick Supreme Court

Supreme Court of New Brunswick has handed down a decision reversing an order of the Public Service Commission which reduced electric rates and cut the net revenue of the Moncton Tramways Electricity & Gas Co., Ltd., by 20%.

The court held that the present day replacement cost of labor and material less depreciation must be considered in establishing a rate base. The old rates are to remain in force, under the ruling. The decision may affect all public utilities in Canada. The company is a subsidiary of the Pennsylvania Gas & Electric Corp., of New York.

The court holds that the question of rate making is dependent upon the value of the service rendered; and that the rates must be a fair measure of the value of this service regardless of the return which the company may receive on the capital investment. It further holds that the correct test in measuring the value of the service given is what it would cost to reproduce it at the time this service is being given. Since service cannot be rendered without a plant, the court rules that the cost of reproducing the plant must be the correct base and starting point in determining the value of the service. By the same process of reasoning, the court rules that the company is entitled to earn a return measured by the fair cost of reproducing the plant under today's conditions and at to-day's prices.

Dominion Iron to Pay First Mortgage Interest

From Our Own Correspondent.

MONTREAL.—The National Trust Co., the receiver and the manager of the Dominion Iron and Steel Company, has announced that the overdue interest coupons on the 5 per cent., first mortgage bonds of the Dominion Iron will be paid, together with the coupons due July 1 next. The payment will be made on and after July 2.

The announcement of the payment comes as welcome news to the holders of securities in the company, indicating as it does the better position now occupied by that industry. Apparently, the greater activity in the steel industry in general has been reflected in the earnings of the Dominion Iron and Steel. The combined iron and steel output of the Dominion for the first four months of the current year amounted to 585,948 tons, as compared with 487,639 tons during the first four months of 1926.

Food Business Has Seen Revolutionary Changes in Short Span of Years

By B. T. HUSTON, in Canadian Grocer.

In the past ten years the complexion of the grocery business in Canada has almost entirely changed. No other trade has in fact, been affected to the same extent. The changes are evident not only in one section of the trade, but in all—retailing, wholesaling, manufacturing. While at first the new developments were confined to Ontario alone, they have since spread east to Quebec, then to Western Canada, and now to a considerable extent in the Maritime Provinces.

The evolution that has been taking place termed the Revolution in Merchandising—has resulted in a new order of things, many of which would astonish a Rip Van Winkle of the grocery business ten to twenty years ago. Conditions as they are at present are almost entirely attributable to the rise of the chain store, followed by group purchasing on a large scale, hand-to-mouth buying and keen competition, and insistence on the reduction of overhead to a minimum. Ten years ago 95 per cent. or more of the grocery business was conducted through manufacturer to jobber to retailer. Much water has run under the mill since then. To-day we find large company-owned chains selling up to $15,000,000 worth of groceries a year and buying practically everything direct from manufacturers or through brokers; chains that sell cash and carry and others self-serve; chains of individually owned stores that buy from one jobber and advertise co-operatively; groups that operate under their own charters and regulations; others that are controlled by the jobber who supplies them; wholesalers who sell on a cash and carry basis; those that are known as "desk jobbers;" others that are composed of retailers; mergers of jobbers; manufacturers selling direct in huge quantities to many large retail buyers; mergers and amalgamations of manufacturers who have been keen competitors with a view to reducing manufacturing and distribution costs; the establishment of price maintenance right through to the consumer by some manufacturers on either the one price or dual price plan; decline in mail order business and the establishment of local mail order depots and retail stores by the large department store institutions.

What are the actual changes in the personnel of firms that have taken place?

Answering this question, Canadian Grocer gives below a history of the various developments, including the rise of the chain store, followed by the chain buying group; lists of jobbers that have disappeared; mergers and amalgamations of both jobbers and manufacturers.

The Coming of the Chain Store

The pioneers in the chain-store business in Canada were undoubtedly T. P. Loblaw in Toronto, and William Carroll in Hamilton. It was back in 1910, on July 2, that the former opened his first chain at 228 Queen St. E., Toronto. Another was opened the first of August, and at the time he disposed of his interests in the original Loblaw stores to F. E. Robson and associates, there were nineteen altogether. Mr. Robson joined Mr. Loblaw in 1916 and sold out in 1920 to the present owners of Dominion Stores. Up to the time of the sale in 1920 they were still called Loblaw Stores.

It was in the spring of 1919 that Mr. Loblaw started his first groceteria. Since that time, both cash-and-carry and self-serve stores have developed rapidly in Canada, and especially in Ontario. Carroll's is a one-man institution with some 69 stores to-day. There are nearly 500 Dominion Stores and 50 Loblaw Groceterias. The Atlantic & Pacific Tea Company have come into the Canadian field, and the Piggly-Wiggly organization, which was taken over by Eastern Stores, Limited, in Montreal, is now invading the western Canada territory—under different management. The list is augmented by many other chains, including Arnold Bros., of Toronto; M. & P. Stores, in Windsor; Pure Food, in Montreal; Eaton's Groceterias, in western Canada; Higgins, in Manitoba; Blue Bird, in Saskatoon; Overwaitea and Kirkham's, in British Columbia, and many more with branches running all the way from one to a dozen or more. Sales volumes have risen rapidly until to-day Dominion Stores have reached the total of more than $15,200,000. With close to 500 in operation, sales are expected to reach between $17,000,000 and $18,000,000 this year. Next in volume comes Loblaw's, with $11,000,000, and over $13,000,000 anticipated in 1927. Following this comes Arnold Bros., which company recently took over a big chain of 65 meat shops, being operated under A. Martin, Limited. Others that are company-owned, and which are doing business up into the millions, are Carroll's, of Hamilton; M. and P. Stores, Windsor; Pure Food Stores, Montreal; Eastern Canada Stores, Montreal, and many in western Canada. Piggly-Wiggly, in the West, and A. and P., in Montreal, are new ones in the field.

Asked one time as to his reasons for giving up the cash-and-carry chain and substituting for it the self-service idea, Mr. Loblaw said that he desired a more compact business—that is, a few stores where turnover was large, as against many stores with restricted volumes. He felt they would require much less supervision.

Origin of Buying Group

Among the early developments towards group buying was the organization of the York Trading Co. by a group of retailers in 1919. It will be recalled that prior to that the original Loblaw stores had been developing gradually. Individual retailers claimed that certain manufacturers, especially soap firms, were selling on a quantity discount basis to various large buyers, including department stores, and that they were not able to secure what they considered was a fair margin of profit.

A number got together and decided to have soap put up under their own brand. They called it the "R. M. A." brand. Following this they secured some other lines, including tea. Wholesale grocers then objected, and, since they had been supporting the Retail Merchants Association financially to some extent, the upshot of it was that it was decided to discontinue the "R. M. A." brand. It was then that the York Trading Co. came into being. It was proposed by Robt. Dawson, who became the first president, and who had the charter taken out in his own name. The retailers who took stock in this company called their stores "Superior Stores." The Merchants Consolidated, of Winnipeg, was a similar organization. The Superior group has been followed by several others with a view to meeting the competition of the large individual buyers who bought on the quantity discount basis. York Trading Co. recently added a new chain called "Shop-Rite." John Sloan & Co. operate the Red & White Stores; National Grocers Co., the Leader, Supreme and Maple Leaf; the Adanac Stores, an organization of retailers, is supplied principally by the Jas. Lumbers Co.; the Service Stores, which have recently been split by dissension, are supplied with groceries by the National and have their own buying office for fruits and vegetables. All through Ontario there are a number of small buying groups, some of which are connected with jobbers, and some are designed to purchase direct anywhere and from anybody, so as to secure favorable discounts.

Many Jobbers Disappear

The mortality and changes among the wholesale grocers in Toronto since 1917 have been startling when one takes a retrospective view of intervening years. Of the jobbers who were in business then, only a handful remain. These include such firms as John Sloan & Co., James Lumbers & Co., F. W. Humphrey, Higgins & Burke, Parsons, Brown. And only two of these are doing business on what was recognized as the regular basis of ten years ago—F. W. Humphrey and Higgins & Burke. John Sloan & Co. serve a special type of retail store, with a limited number of merchants in the organization, known as Red & White Stores. Associated with him in Ontario is the H. E. Guppy Co., of Windsor, who also serve Red & White Stores, and more recently Western Grocers in western Canada. James Lumbers & Co. serve the Adanac Stores, which is a group of retailers banded together for co-operative advertising, and who own their own charter. Some years ago, Parsons, Brown & Co. became cash-and-carry jobbers.

Names that have disappeared from the wholesale grocers' slate in Toronto include such firms as Warren Bros., who used to be in business on Queen St. W.; the Canada Brokerage Co., operated by the late Frank Morley and F. W. Hudson; S. P. Wilson, who originated the Maple Leaf Stores, now a group with the National Grocers Co.; Fine & Rubin; Davidson & Hay, an old-established business that was sold first to A. J. Young, National Grocers, Ltd., of North Bay, and later taken over by Armstrong & Paffard, and since closed; Perkins, Ince & Co., who were on Front St. for some forty years; Wholesale Grocers, Ltd., started by Mr. Knowles, who was formerly with the Canada Brokerage Co.; Sloan, Dickson & Bone.

Then, in 1925, the big merger was formed to endeavor to cope with the new conditions brought about by the expansion of the chain store interests. Into this merger went twenty-five of the leading jobbers of the Province of Ontario whose names today are almost but a memory. In Toronto three of the largest firms sold out to the amalgamated company — Eby Blain, Limited, Medland Bros., and T. Kinnear & Co. The new company was scarcely formed when the old-established business of H. P. Eckardt & Co. was purchased outright. This change removed a well-known business man from the wholesale grocery field in the person of H. P. Eckardt.

Other jobbing firms that have changed include Sutton & Clark, which later became W. E. Sutton & Co., and John Clark & Co., both of whom are now out of business; Rishor & Co. and, more recently, Groceries, Ltd. Groceries, Ltd., as reported in the last issue of Canadian Grocer, is now in the process of liquidation.

In Hamilton the old-established businesses continued without many breaks until 1922—with the exception of Geo. E. Bristol & Co., which firm had, following the death of Mr. Bristol, sold to Bristol, Someville & Company. Then in 1922 this became S. W. Somerville & Company, which in 1925 sold out to the merger. In 1922, James Turner & Co., Ltd., that had been in business for a great many years, liquidated and in 1924, Macpherson Glassco Company followed. Fearman Bros. began first as commission merchants, then branched out to include specialties and staples. This firm is back again into the specialty business, which includes a special line of canned goods. In addition to S. W. Somerville & Company, Gillard & Company, that had been operated for so long by the late Harry C. Beckett as its conspicuous head, joined the merger company. This leaves Balfour, Smye & Co., and Lumsden Bros. as the "old originals" still in the field.

Down through the Niagara Peninsula, in London, St. Thomas, Sarnia, Chatham, a number of jobbers who had been in business a long time also joined the merger. The same applies to Owen Sound, where McLaughlin's, the Harris Company, and Lemon Bros., were all taken over, and to Collingwood, Kingston, and a number of other centres. Instead of such names as Warren Bros., Eby Blain, Eckardt, Bristol, Gillard, Kinnear, etc., being on the tongue of every specialty salesman and manufacturer, we now hear the names of Dominion, Loblaw, York Trading, Federal, National, Carroll, Red and White, Adanac, Superior, Supreme, and so on. Thus does the hand of time change the complexion of things.

Process Slower in Rest of Canada.

For a long time after this disintegration of the jobbing trade of Toronto and other parts of Ontario, the Montreal and eastern Canada fields seemed to be pretty much exempt. It took several years for chain stores to find their level among the French-Canadian population; and even as yet there has been little progress made in the Maritime Provinces. There were three large operators in the jobbing field in Montreal for a great many years — Hudon, Hebert & Cie.; Laporte, Martin & Cie, and Chaput Fils & Cie. At one time the operations of these companies included practically all of Canada. Fifteen and twenty years ago some of them sent salesmen right into the hot-bed of the Ontario wholesale grocery business—Toronto.

In Quebec wholesale grocers formerly had extensive businesses in liquor before the trade was confined to government shops. The loss of this was a heavy one and meant, in some instances, the cutting in two overnight of their volume. Following this they had a difficult time in meeting overhead and coming out with a net profit. This decline in volume eventually led to an amalgamation between two of the largest firms, Hudon, Hebert, and Chaput Fils, about a year or more ago, the former purchasing the latter. It is interesting to note that on the day and at the very hour the cheque was sent covering the purchase, the founder of the Chaput Fils business passed away at the ripe old age of 85 years. There have been other changes in Quebec Province, but this was the one outstanding. Laporte, Martin & Cie, have since been developing a chain of stores, individually owned, but featuring their own trade mark.

And now comes the news of a big merger of Maritime Province jobbers reported elsewhere in this issue.

The history of the jobbing business in western Canada includes not only the establishment of jobbers in individual centres, but of chains belonging to one firm. There are wholesalers with several branches throughout western Canada. The reason for this is obvious, when distances are taken into consideration. Car-load rates are considerably less than rates on small shipments, and the establishment of a branch warehouse in one district often led to a competitive firm doing the same thing in order to retain its business in that particular territory. Up to the present there have been no mergers of jobbers, at least none of any great importance; but recent changes include jobbers lining up groups of retailers similar to the group system in Ontario and Quebec.

Amalgamations in the canned foods industry in Canada form a chapter in themselves. Prior to 1910 there had been one merger resulting in the organization of Canadian Canners, Limited, and which included several independents. Then in 1910 a further amalgamation took place, and the company became Dominion Canners, Limited, when some thirty or forty additional packers were included. The next took place in 1925 —just two years ago — when Dominion Canners, Ltd., became Canadian Canners, Limited again. At this time about thirty more firms were taken into the former organization. At present it is estimated that this company controls around 90 per cent. of the canned fruit and vegetable industry in Canada. It has been the policy of Canadian Canners in the past to book orders in advance for delivery at opening prices so that they would have a better idea of market requirements. It is significant that this policy has been discarded this year, and is succeeded by one of selling the goods as they are packed at the market price at time of sale. Just how this will work out cannot be definitely foreseen, but in view of the system of hand-to-mouth buying in vogue for several years it is considered to be the logical method under the circumstances.

The jam situation, too, has greatly changed since 1920, following a few years of too great expansion, high prices for raw material and high labor costs. The net result was the disappearance of a number of packers, and the taking over by Canadian Canners Ltd., of the Stuart business at Sarnia, and the large Wagstaffe plant in Hamilton.

Biscuit Industry Affected

The biscuit industry was one of the last to be seriously affected by the new systems of merchandising and distribution. For a long time several well-known names were almost exclusively associated with this industry with few changes or additions. Some of the better known names were Christie, Weston, McCormick, Perrin, Marven, Hamilton, Montreal Biscuit, Paulin Chambers, Northwest, Viau, Paterson, and Telfer. But with the keener competition and the necessity of reducing overhead expense, a number of these firms individually re-arranged their methods whereas still others joined in a big merger last year. This merger took in six of the above mentioned companies—McCormicks, Perrins, Montreal Biscuit, Marvens, Paulin Chambers and Northwest Biscuit Co. William Paterson Limited in business in Brantford for a long time, was taken over a couple of years ago, and since then there has been still another re-organization. There is too the recent announcement of the Telfer plant being purchased by the National Biscuit Company of Canada, a subsidiary to the parent company in New York, which has been doing business in Canada for some time. The Kannada Biscuit Co., of Brantford, in business a short time has disappeared.

The Big Packers' Merger

The business of pork packing and allied interests has been in the hands of a few large packers for decades. These included the Wm. Davies Co.; Canadian Packing Co., which latterly was owned by the Allied Packers of Chicago; Harris Abattoir Co., Gunns Ltd., Swift Canadian Co.; P. Burns & Co., of Calgary, White Packing Co., with head offices and plant in Stratford and several others. The Canadian Packing Co. itself was the outcome of a merger of several years ago which took in a number of plants such as Park, Blackwell, of Toronto, and the George Matthews Co. of Peterborough. But the merger that is now in the course of completion including Harris Abattoir, Wm. Davies Co., Canadian Packing Co.,

Public Utility Earnings

CAN. WESTERN NATURAL GAS

	1926	1927	Increase
January	$138,443	$199,753	$ 61,310
February	126,850	193,421	66,571
March	111,770	168,005	56,235
April	106,121	141,436	35,315
Aggreg. Earn. from Jan. 1 to Apr. 30	483,184	702,615	219,431

CAPE BRETON ELECTRIC

April	1927	1926
Gross Earnings	$56,199	$48,711
Oper. Exp. & Taxes	42,120	38,333
Net Earnings	14,078	10,378
Interest Charges	5,693	5,875
Balance	8,385	4,503

SOUTHERN CANADA POWER CO.

May	1927	1926
Gross Earnings	$120,012	$107,637
Operating Expenses	42,991	40,196
Net Earnings	77,021	67,441
8 mths. ending May	1927	1926
Gross Earnings	$1,010,828	$928,443
Operating Expenses	338,899	307,299
Net Earnings	671,929	621,144

WINNIPEG ELECTRIC

April	1926	1927	Increase
Gross Earn.	$ 450,772	$ 499,220	$ 48,448
Work. Exp.	286,655	314,197	27,542
Net Earn.	164,117	185,023	20,906
Aggregate Gross from Jan. 1 to Apr. 30	1,904,598	2,069,865	165,267
Aggregate Net from Jan. 1 to Apr. 30	710,392	768,350	57,958

B. C. ELECTRIC RAILWAY

April	1926	1927	Increase
Gross Earn.	$ 999,343	$1,071,445	$ 72,102
Wk. Exp., M., etc.	734,285	769,554	35,269
Net Income	265,058	301,891	36,833
Aggreg. Gross from July 1 to Apr. 30, 1927	10,109,305	10,685,696	576,391
Aggreg. Net from July 1 to Apr. 30, 1927	2,902,435	3,121,560	219,125

MONTEREY RAILWAY. LIGHT

3 mths. to Dec. 31, 1926—

	Gross	Expenses, includ. prov. for renew. and obsolescence	Surplus
Rly. Lt. & Pr.	$ 262,322	$ 284,467	*$22,144
Water & Sew.	67,653	40,224	27,428
Total	329,976	324,692	5,284
Aggreg. Earn. from Jan. 1, 1926, to Dec. 31, 1926	11,235,372	1,162,396	72,976

*Deficit.

Jamaica Public Service

April	1927	1926	Increase
Gross Earnings	$ 56,895	$ 52,700	$ 4,195
Op. Exp. and Tax.	37,041	33,726	3,314
Net Earnings	19,854	18,974	880
Int. Charges	6,157	6,271	113
Balance	13,696	12,702	994
12 mths. end: Apr. 30.			
Gross Earnings	670,083	634,793	35,290
Op. Exp. & Tax.	398,892	396,096	2,796
Net Earnings	271,191	238,697	32,493
Int. Charges	74,166	76,862	*2,695
Balance	197,024	161,835	35,189

*Decrease.

RAILWAY EARNINGS

Week end. June 14	1927	1926	Change
C.P.R.	$3,240,000	$3,342,000	—$102,000
C.N.R.	5,051,013	5,262,888	— 211,875

Dividend Number 164

Hollinger Consolidated Gold Mines, Limited

(No Personal Liability)

A dividend of 2% on the outstanding capital stock of the Company has been declared payable on the 15th day of July, 1927, on which date cheques will be mailed to shareholders of record at the close of business on the 29th day of June, 1927.

Dated the 22nd day of June, 1927.

I. McIVOR,
Assistant-Treasurer.

The Standard Bank of Canada

Quarterly Dividend Notice No. 147

A Dividend of Three Per Cent. (3) for the three months ending 31st July, 1927, being at the rate of Twelve Per Cent. (12) per annum, has been declared payable on the 1st of August, 1927, to Shareholders of record as at the 16th of July, 1927.

By Order of the Board,
N. L. McLeod,
General Manager.

Toronto, June 22nd, 1927.

Tenders Wanted

Catholic School Commission of Montreal

$2,200,000.00 of Bonds, 35 years, 4½%, due July 2nd, 1962.

Notice is hereby given that sealed bids addressed to the undersigned, the General Secretary and Treasurer of the Catholic School Commission of Montreal, will be received at his office, in Montreal, No. 87 St. Catherine Street West, up to three o'clock (daylight saving), Tuesday, July 5th, 1927, for the purchase of two million, two hundred thousand dollars ($2,200,000.00) of bonds of the Catholic School Commission of Montreal, bearing interest at a rate of four and a half per cent. (4½%) per year dated July 2nd, 1927, and payable in gold, in thirty-five (35) years, July 2nd, 1962. And the principal and the interest shall be payable in gold at La Banque Canadienne Nationale, in the cities of Montreal and Quebec. This loan is authorized in virtue of laws 15, George V, chapter 43 and 16, George V, chapter 46, and the bonds shall be countersigned by the Treasurer of the City of Montreal, according to these laws, and to the law 54 Victoria, chapter 53. The bonds shall be bilingual and shall be issued in denominations of hundred, five hundred and thousand dollars each ($100.00, $500.00 and $1,000.00) in the following proportions:

1% in denomination of hundred dollars (100.00)
24% in denomination of five hundred dollars (500.00)
75% in denomination of thousand dollars ($1,000.00).

The interest shall be payable half-yearly, January 2nd and July 2nd of each year.

Each bid shall be accompanied by a certified cheque payable to the Catholic School Commission of Montreal, for an amount equal to one per cent. (1%) of the total amount of the loan. The cheque of the bidder whose tender is accepted will be refunded to him after his contract has been executed.

The accrued interest on the bonds shall be added to the price offered at time of delivery.

The highest or any tender not necessarily accepted.

The bids will be opened at a public meeting of the Catholic School Commission of Montreal, at the head offfice of the Commission, in Montreal, No. 87 St. Catherine Street West, on Tuesday, fifth day of July, 1927, at three o'clock in the afternoon (daylight saving time).

AYME LAFONTAINE,
General Secretary and Treasurer,
of the Catholic School Commission of Montreal.

Office of the General Secretary and Treasurer,
87 St. Catherine Street West,
Montreal, June 15th, 1927.

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TORONTO, JUNE 24, 1927

NO "BETTER 'OLE"

IN AN address in New York this week, Benjamin Anderson, economist for the Chase National Bank, said, "The Bolshevist experiment in Russia, so far from constituting a vindication of communism demonstrates, to the extent that if it demonstrates anything, the superiority of capitalistic methods over communistic methods."

This is true. Russia's return to stability depends upon her ability to re-develop a capitalistic system.

No country in the world needs capital more than Russia. No country in the world has to pay a higher rate to get capital. Soviet bonds sell on a 14 per cent. basis. Canadian bonds sell on a 4⅛ per cent. basis. Capital will not go where it is not safe and it does not consider itself safe in a state where many political leaders still cling to the forlorn hope of making a success of communism.

Capitalism is not a perfect economic and social system, but we have not discovered anything better. Communism has proven that it is not "the better 'ole."

RAILROAD EFFICIENCY

RAILROADS in both the United States and Canada have been forced to accept in recent years smaller returns upon their investments than they enjoyed in the years before the war. Expenses of operation have grown much more rapidly than have railway freight and passenger rates. Serious financial calamity has only been averted by a most remarkable improvement in efficiency of operation.

Prof. W. T. Jackman, professor of political economy at the University of Toronto, has made some exhaustive studies on the subject, the results of which illuminate the higher operating efficiency of the railroads.

Between 1910 and 1925, he finds, in a survey of nine leading American and one Canadian railroads, the number of locomotives increased 62 per cent., and the number of freight cars 90 per cent. Yet the amount of service rendered increased 142 per cent. This gives a clear indication of the more intensive use of rolling stock in recent years enabling the railroads in part to meet higher wages, higher interest charges, higher taxes and higher expenses generally. Even despite greater efficiency, net earnings from operation have not kept pace with gross earnings, a reflection of the fact that while public bodies can control railway rates, they can not control wages, fuel prices and other expenses.

How have the railroads been able to achieve improved efficiency in operation? Prof. Jackman's studies reveal some valuable points. Freight cars are built larger than ever. Cars are loaded more nearly to capacity. The effect of an average increase of one ton in freight car loads is to enable present traffic to be carried with 80,000 fewer cars. After loading freight cars more heavily, the roads effect further economies by increasing the number of cars to a train.

These two nations owe much to their railroad operators, who have saved transportation from bankruptcy and reduced to the minimum the need for increased charges for service.

TRULY INTERNATIONAL

LAND controlled by International Paper Company in Canada would make a strip over 5 miles wide stretching from Halifax to Vancouver.

The timber standing on this land, if reduced to six inch logs would make a "corduroy "road 600 feet wide from coast to coast.

International Paper Company carries its Canadian woodland assets alone in its books at over $15,000,000.

Timorous ones declare at times that International Paper Company is getting a strangle hold on Canada. We would not pay much attention to this expression of fear, if it had not come out in a conversation involving a group of Canadian investment bankers the other day.

These bankers, usually hard headed, clear thinking individuals, were just making conversation. They know that Canada ought to feel glad that International Paper is shifting the balance centre of its activities to Canada. The millions invested by International Paper in this country are creating new wealth that is divided among all Canadians through the complex but ever active process of dividing up wages, money paid for raw materials, taxes, etc.

The men behind International Paper are showing a vision and courage that should be an inspiration to Canadians who at times are inclined to be somewhat hesitant in seizing development opportunities within Canada.

If any Canadian thinks that International Paper is getting too big a slice of the Canadian domain and is going to make too much money out of Canada he can purchase a proportionate share in all of their assets and insure for himself a part of all the profits they make by buying a share of their stock for around $41. That is just what some hundreds of Canadians have done. International Paper's bond and share registers are indeed international.

It is a bad habit that many of us have of saying one thing when we are speaking seriously and reflecting mob psychology when we speak without due thought. Calling in a loud voice for capital to develop Canada while we express annoyance at the outside economic penetration of the country in our less lucid moments is inconsistency of a grave character.

SELLING THE CITY

THE City of Saskatoon almost makes it a pleasure to pay taxes. With the tax notices for the current year, now going out, City Commissioner A. Leslie is enclosing a pamphlet giving some facts about the progress made by Saskatoon during the past year.

It is recorded that owing to improvement in the city finances tax bills are lower this year. It is shown that Saskatoon bonds are bringing higher prices, that a large amount of building is under way and that the city population is growing.

For the Eastern investor, who still holds Saskatoon lots bought in the pre-war boom days, there is comfort in the statement that large amounts of tax sale lands have been disposed of to builders intending to use them at once.

This is sound work by Mr. Leslie. Cities can afford to spend a small sum occasionally to keep citizens posted. The dollars and cents return will undoubtedly be had immediately in earlier and more complete collection of city taxes.

PORTRAITS OF THE PAST

SIR John A. Macdonald's comfortable face has looked out upon us from a hundred advertisements and a thousand articles in the past few weeks. And yet we are not ready to cry "Enough." If Jubilee year makes us a nation of hero-worshippers and leads us to give some recognition to the deeds of our statesmen of the past it will not have been celebrated in vain.

Canada has had a most absorbing history from the days of the early French explorers, on through the time of conquest, of western and northern exploration, of pre-Confederation conflict, of railway building, and of war effort. But our school children have ranged over the whole story of mankind, giving less attention to the history of Canada than to that of some other countries. Jubilee year has illuminated some of the passages of our story that have hitherto been much obscured. May the light continue to shine.

BY ORDER OF THE LAW

IT IS easier to put a bad law on the statute books than to get rid of it. American business would gladly be rid of the anti-trust legislation of that country, but it has done more to embarrass legitimate business than to protect consumers from exploitation.

Just now, over-production in the oil fields of the United States has created a serious situation for all oil producing companies. Temporarily the consumer is getting cheap gasoline because the oil has to be sold at any cost. Admittedly the world's supply of oil is limited and the collossal waste of oil through unrestricted production is a tragedy. Yet if two oil men were to discuss a sane restriction of output they would be liable to enormous fines under state and federal anti-trust laws.

The oil industry needs co-operation, and the law refuses to sanction co-operation. Thus waste continues.

A CANADIAN ACTION

THE Sun Life Assurance Company of Canada is to erect new head office buildings in Montreal. The architects chosen are Darling and Pearson, a Toronto firm.

In choosing Canadian architects the Sun Life is wise — it is a Canadian company, and fully realizes that if it sells its insurance in this country it must be prepared to buy here also. There are no international barriers in art. In the past there appears to have been a tendency on the part of many Canadian organizations to purchase their architectural services in the United States. Had the choice been based on the unproved premise that United States architects were more skilled in producing a beautiful and useful building than their Canadian brethren, none could find fault with a Canadian company purchasing such services in the United States. But, unfortunately, United States business men seem to have a habit of impressing Canadians simply through the magnitude of their operations.

Large offices, thousands of stenographers and the latest flying systems cannot necessarily produce fine architecture, and the Sun Life's management is to be congratulated in not being allured by the blandishments of high powered salesmen from New York.

"WE LEAD; OTHERS FOLLOW"

AT THE risk of being held responsible for uttering a most trite warning, allow us again to counsel Canadians not to be too reserved in telling about some of the achievements of this country; particularly about our "first things."

American papers have been writing screeds about the first golf course in the world to be operated by women for women. The course has just been opened, these accounts tell, in Chicago! Toronto ladies have had their own golf course for about two years. Miss Ada Mackenzie is the professional. It is operated by women for women.

The Christian Science Monitor writes an interesting editorial about the Boys' Achievement Fair at Richmond, Indiana, where 1,500 specimens of juvenile handiwork were shown. The Monitor does not claim this to be the first boys' fair. Canadians ought to know that we have in this country the largest annual boys' fair in the world. It is the Broadview Boys' Fall Fair, staged in Toronto each fall. It has been going for many years.

INHERITORS OF TRADITION

THERE is no more noble waterway in the world than that one which stretches from the head of the great lakes to the Atlantic Ocean and which comprises the St. Lawrence River. Canadians little appreciate what an asset they have in this navigation route.

It is a water highway of noble traditions. The inheritor of all these traditions is the Canada Steamships Lines, the chief of the passenger, grain and package freight carriers of the Great Lakes and the St. Lawrence River. The come back of Canada Steamships Lines is a financial epic but it is more than that; it is a demonstration of the important part the Great Lakes-St. Lawrence water highway plays in Canada's business life.

The new managers of the company are adding new boats. The graceful S.S. St. Lawrence, which made its maiden cruise over last week-end with a party of 250 distinguished guests aboard, is only one of several new passenger boats that are to be added. Terminal facilities are being completely re-built; package freighters have been added.

The rehabilitation of this company is a factor in Canada's progress.

CONVERSATION

IN ONE of the larger Canadian business institutions a somewhat unique practice prevails. Once a week a barber appears at the head office building and trims the locks of the various executives.

It is earnestly to be hoped that other groups of business men will not follow suit. No doubt, to many men, the barber shop is not what it once was. Mixed barbering has changed things. But the barber still fulfills a useful function, similar to that performed in older days by the corner store. The Koken chair is the successor to the old cracker barrel. The viewpoint of the average man gains currency in the barber shop. If one wants to know what the people are thinking about, he need only listen in on the conversations in the barber shop. He would learn, for instance that, although the strangler man did not put Lindy off the front pages, he put the Atlantic Ace in second place as a topic of conversation.

These thoughts on barber shops may be taken seriously. It so happens that the executives of the business institution, to which reference was earlier made, have the reputation of being a somewhat clannish lot. Having their barbering done in their offices is but another evidence of this unwillingness to mix with people outside the business. And yet, this business, as nearly every business, is dependent for its growth and its future success upon its ability to read public tastes and to maintain intimate contact with ordinary folk.

When business executives become too self-contained, too much inclined to move within the circle of their own organization, and avoid mixing with the average folk, they are losing one of the most important assets of any business, a knowledge of what people are thinking and saying.

EDITORIAL NOTE

Be sure that anything you buy to help in the celebration of Canada's birthday is made in Canada. At a recent picnic in Toronto, youngsters received balloons with pictures of the Canadian flag and the words "Canada's Jubilee, 1867-1927." And immediately below was the inscription "Printed in U. S. A."

McLimont Brought Winnipeg Electric Back to Prosperity

Step by Step He Has Eliminated Company's Chief Troubles and Put It on Very Sound Basis Again

By GARNETT CLAY PORTER.

When a three years' agreement was entered into by the employes of the Winnipeg Electric company with the corporation the other day, a long step was taken in the direction of eliminating labor troubles in the affairs of the big tram organization, definitely.

"Just another evidence of McLimont's progressive policy in big business," was the general comment when the report that the threatened strike of tram men had ended in a very agreeable arrangement. The men get a cent a year per hour increase, while they sign an agreement for a period of three years. The chief difficulty previously had been that the men could not be induced to sign an agreement for a longer term than the one year, which could be reopened at the end of six months. The company wanted permanency—and McLimont got it.

ANDREW W. McLIMONT

Several Companies in group

Andrew Wingate McLimont, in his ten year's residence in Winnipeg has left his mark in a big way on industry, especially upon constructive circles of hydro. He organized and successfully financed a ten million dollar hydro electrical proposition in the Manitoba Power Co. of which he is president. There are 168,000 h.p. already developed in the units in use and others are being prepared for because of the increased consumption. This is a subsidiary of the Winnipeg Electric Company of which Mr. McLimont is president and general manager. His other activities embrace the direction of the Winnipeg, Selkirk and Lake Winnipeg Railway Co., the Suburban Rapid Transit Co., and other organizations that loom large on the industrial horizon of Western Canada.

No man has taken a more prominent part in the building up of industrial Winnipeg in so short a time. He is an Ottawa product and did not enter business life until the late 80's with the Canadian Bell Telephone Co. In 1889 he went to Boston with the Thompson-Houston Electric Co. as electrical engineer and construction superintendent in charge of trams underway in several large cities in the States. In 1903 he was general manager of the Dubuque Light and Traction Co. and resigned to enter the foreign service of the General Electric Co. He returned from South America to become electrical and operating engineer for the Public Service commission of the First District of New York.

Winnipeg Electric in Rut

From general manager and vice-president of the Michigan United Railways he went in 1914 to the Pacific coast and became vice-president and general manager of the San Francisco-Oakland terminals railways of Oakland, Cal.

It was from that important position that Mr. McLimont was induced to come to Winnipeg and take over the affairs of the Winnipeg Electric Company. The organization was in a rut. There were labor troubles and there were no dividends with which to satisfy the shareholders. The war had increased cost of operation enormously and the company's franchise made no provision for adjusting the old five cent fare and revenues were further depleted by sales of tickets at six and eight for twenty-five cents.

The equipment had deteriorated and there was not money with which to make replacements. This was Mr. McLimont's job—and it looked hopeless. He did not think so but a lot of other sagacious business men did. The situation was complicated by a rather active publicly owned hydro in the field.

Adjusted Old Franchise

But McLimont's experience had been very broad. He did not waste any time criticising anybody or anything. He not only had a big job of his own to look after in the company and its ramifications but he took over the organization of the Manitoba Power Co. to develop hydro current on a big scale from the Winnipeg River, plunged into the spirit of civic service clubs and became vice-president of the Winnipeg Board of Trade in 1918-19.

But the hardest job confronting him was getting the old franchise readjusted on an equitable basis—for of course the five cent fare was a thing of the past with a war-time scale of living. But it was accomplished and then came the labor troubles, recurring annual agreements. It was always his dream to have this agreement on a three-year minimum basis.

To Mr. McLimont's orderly mind the constant quarrel with his employes was an economic horror. Both the company and the men lost by the unbusinesslike arrangement. He wanted for the company and for the men a policy of permanency by which both should profit and the city be given a modern service at reasonable cost. All these he acquired, the final chapter being written last week when the three years' agreement was signed with the men.

Gets Franchise Renewal

Another important victory in the progress of the private hydro interests, won by Mr. McLimont, concerns the ultimate extension of the tram franchise. Originally the franchise was for thirty odd years. There was a provision that the city could at that time acquire the interests by negotiating but failing to give six months notice the company's life was automatically extended in five year terms.

Prior to the arrival of A. W. McLimont, the company's affairs seemed always antagonistic to public interests, or at least, there was constant turmoil. It was generally predicted that the company would cease to function as soon as the infuriated citizens had the legal right to take over the plant.

It was this impact that McLimont met and with patience and ability worked out. To-day the company and the public are on most friendly terms. There is a policy of home ownership of the company's stock encouraged by the new management-customers and employes. A very considerable proportion of the stock of this and the allied companies is owned by the employes and the customers of the company. The last stock offered was to be on sale for ten days. The close of the first twenty-four hours found it over subscribed by the home people. That's McLimont's way, he goes to the bottom of things and gets the other fellow's point of view.

His management of the Manitoba Power has been responsible for a number of big manufacturers establishing plants adjacent to the territory served with hydro by his organization. Notably in this line was the big two hundred ton pulp mill just opened for business this spring.

No Quarrel With City

Mr. McLimont has no quarrel with the public utility which competes with his company in the development and sale of hydro current. He insists that if a private company cannot meet competition it cannot survive and probably ought not to. So when the civic plant found itself in a position where it could not develop as much current as it would need in the next few years, Mr. McLimont was right on the job to show the city where it would be more economical to let the private competitor do the developing since their unit was ready—and a very profitable contract was made with the city hydro department by which for the next three years they will purchase at very profitable rates (to both sides) some thirty thousand horsepower. It was either "buy from McLimont or spend an enormous sum on capital investment for additional units."

As a patron of amateur athletic organizations Mr. McLimont finds diversion from his very busy life. He is as strong for the community service effort as for private work.

Promoters Use Post Name Without Authority

It has been brought to the attention of The Financial Post that certain individuals, offering stock for sale, and professing to represent the Wright Flexible Axle Automobile Co. of Montreal, are giving The Financial Post as a reference regarding the project. The name of one of The Post's editors is also given by this gentleman as a reference; it is stated that this editor has thoroughly investigated the proposition and is convinced that it offers excellent investment opportunities.

Only one-half of the statement is true. The Post has investigated the proposition, but as a result of its investigations it feels disposed to suggest that investors can find much better places to put their money. The Company's chances are slim.

FOLKS and Finance

THE rehabilitation of Canada Steamship Lines has been carried on chiefly by two expatriated Canadians, who have found a thrill in doing a big job in their native land after years of work chiefly centering in the United States.

William H. Coverdale, president of Canada Steamship Lines, was born near Kingston, Ontario, and early went to the United States to make his fame and fortune. Now he spends most of his time in Canada, although he is head of a great New York engineering firm. He has a farm at Kingston, which claims much of his attention, both in agricultural and piscatorial pursuits and he is definitely presiding over the destinies of Canada Steamship Lines most of his time, despite the wide-spread activities of his New York house.

Frank Humphrey, director of Canada Steamship Lines and partner in the New York investment banking house of Kissel, Kinnicutt and Company hails from New Brunswick. Mr. Humphrey is credited with being the man who thought out the scheme for taking over the Canada Steamship Lines six years ago. It was then nearly bankrupt, its boats and terminals were in many cases ready for the discard, its services had failed utterly to keep up with the demands of Great Lakes and St. Lawrence River transportation. The company was in low repute. Mr. Humphrey brought Mr. Coverdale into the picture, reorganized the board of directors, raised new capital and started the company off on the road to recovery.

Fine new passenger boats are being added, a new Toronto terminal is nearing completion as the first of a group of new terminals to stretch across the system, large additions have been made to the fleet of grain and package carriers. Preferred dividends have been resumed, all these are evidences of the advances that have been made. And the company is not near the end of the programme of rehabilitation and expansion that will eventually make it a $75,000,000 company rather than a $40,000,000 company as at present.

Mr. Coverdale is a Canadian and his two partners in the firm of consulting engineers of which he is the head are also Canadian. Messrs. Colpitts and Burpee are the other partners in the firm of Coverdale, Colpitts and Company.

Colpitts comes from Moncton, New Brunswick, and Burpee from near Fredericton. Mr. Colpitts has had a somewhat colorful career for a man so mild tempered. He was an office boy on the Intercolonial Railway and from that graduated to a drafting job. He was next sent to inspect bridges. His job was to tap every rivet in every bridge between Quebec and Cape Breton to see if any were loose. It was the hardest job he ever performed in his life and he pumped a hand car until he was sick of it.

The job nearly cost him his life. He was caught on the bridge at Rimouski with a train coming full on. It was a bleak day in March; the ice was just breaking up in the river below. Sleet covered the bridge; young Colpitts' hands were blue with cold. He climbed over the edge of the bridge and hung from the timbers with his legs dangling below. But his hands would not hold, so cold were they, and he fell, boring a hole through the ice and fortunately coming up in the same hole. He was fished out and revived and lived to go through McGill University as a civil engineer.

It was in California that these two Canadians, Coverdale and Colpitts came together. Colpitts was chief engineer of a railway that got into financial difficulties when the Mexican Revolutions upset things. Coverdale was sent down to report on the situation. He came back with a pessimistic report and a promise from the young chief engineer that he would accept a partnership.

Mr. Colpitts visits Montreal often, usually to attend McGill reunions of one kind and another.

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City of Fort William
5% Bonds

Principal and half-yearly interest payable at Fort William, Montreal or Toronto.

Population—22,239

Assessed Value for Taxation	$29,794,532
Total Debenture Debt	9,082,580
NET DEBENTURE DEBT	2,949,149
Current Revenue	1,504,825
Current Expenditure	1,477,501

The City of Fort William is situated at the head of the Great Lakes, the world's largest inland waterways system. With the deep water frontage of twenty-six miles on three navigable rivers which intersect its boundaries, Fort William has a harbor suitable for all requirements of manufacturing, shipping and distribution activities. During the year of 1926, 325,000,000 bushels of grain were shipped by boat from the ports of the Twin Cities.

The City's present financial position shows the results of careful and efficient administration.

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Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply.

Nova Scotia Steel

I see quotations in your good paper of Nova Scotia Steel and Coal bonds at around 70. Are these the first mortgage bonds which I hold? Give me an opinion on this issue, please?

Nova Scotia Steel and Coal Company 5 per cent. fifty year bonds, due 1959 are now quoted at around 70.

What the future holds for the bondholders, it is hard to say. We do know, though, that there appears to be an abundance of physical assets behind the bonds which you hold. Of this issue, there are outstanding $5,-311, 944. Ranking junior to the bonds which you hold, the company has outstanding $4,978,500 in debentures; thus, there is a large equity in the company ranking junior to the bonds which you hold. After the debentures there is $1,000,000 in preferred shares and $15,000,000 in common.

Although the present situation in which the Nova Scotia steel and coal industries find themselves makes the bonds speculative, yet, in the event of further troubles, it seems to us that the values of the properties upon which the bondholders have a mortgage, are in excess of the total bonds outstanding.

While we believe that in any reorganization of Besco or its constituent companies, the position of the first mortgage bondholders of the Nova Scotia Steel and Coal company will not be impaired, yet we would remind you that the issue is undoubtedly speculative and there is the possibility of some loss.

United Copper Syn.

Would you give me some details re United Copper Syndicate? What is price of shares and what are holdings

United Copper has large holdings in Quebec. Shares are selling at $4.-25 on Montreal Mining Exchange.

An outline of the holdings follows:

GROUP 1—is located in the north-west corner of Dasserat, in section being developed by Towagmac, Coniagas and Nipissing. Very little prospecting has been done on this property.

GROUP 2—approximately 300 acres is in south-east Boischatel. Laval Quebec Mines adjoin them on the north, Clericy Mines on the south, while on the east is the McMillan claim of Huronian Belt Co.

Up to date they have a small mining plant, equipment, buildings, and have uncovered promising quartz veins, all carrying gold values; on one of these veins a shaft was sunk to a depth of 53 ft. From the surface to the bottom of this shaft, assays of over $11 were obtained.

Dr. Cook shows on his first geological map of Rouyn, that this area is favorable to gold concentration.

The property was purchased from McDonough Brothers for $196,000 cash, on which they have already received $12,000, balance being in stock on a basis of $5 per share.

GROUPS Nos. 3, 4, and 5—comprise 400 acres, 640 acres and 600 acres respectively, located in the district being developed by the Harvey Mining, Copper Hill, Clericy Mines and Allied Mines.

GROUP No. 6—400 acres is in north-west Joannes, in the same section as Huronian Belt and Ontabec holdings. Little is known of this property other than the location is favorable.

Asbestos Corp

My broker in Montreal does not think the shares of the Asbestos Corporation are particularly attractive, but it seems to me that the company is in a position which indicates increasing earnings in the future. Thus, I am in a quandary regarding the stock and would appreciat receiving your views on the preferred and the common.

We incline to your opinion regarding the Asbestos Corporation. It seems to us that the company has now completed the rather difficult and trying times of its initial period of operation. Moreover, it has come through the first year of operation with satisfactory earnings. However, our impression of the common stock is that it is a long hold proposition but one which might eventually bring satisfactory rewards to the investor who is willing to wait. We understand also that this year the corporation is experiencing materially improved earnings.

The preferred shares are a purchase for a business man. You must remember though that the dividends on this stock are non-cumulative. Those who know the corporation well and know its operations, believe that, broadly speaking, there is no chance of a discontinuance of the preferred dividends.

Ontario Equitable

Do you consider the stock of the Ontario Equitable Life and Accident Insurance Co. a suitable investment for a professional man who is very conservative in his investments?

What is the present market price, and would the stock be readily marketable?

With regard to your enquiry re investment in the stock of Ontario Equitable Life and Accident Insurance Company. We believe that the stock of an insurance company is essentially something that should be bought for a long hold, especially if the company is a young one.

In view of the strict conditions which surround the licensing of insurance companies in Canada, there are very few if any young companies which will be able to put up the necessary reserve and maintain themselves in a proper financial condition, and at the same time be able to make any distribution to their shareholders for at least five and probably ten years. There may be, of course, exceptions to this rule, but generally speaking the first ten years of a life insurance company's existence is one in which the shareholder and not the policy holder is the first and probably the only consideration.

Referring more particularly to the Ontario Equitable, this company has been in existence for some six or seven years and during that time has shown considerable initiative and activity in its particular field. The company writes only non-participating policies and at the end of 1926 had approximately $33,000,000 worth of business on its books. During 1926 the new insurance written amounted to nearly $8,000,000 which is a very good amount for a young company, although it is not quite as much as the amount written the previous year. In a letter sent to the shareholders of the company in April of this year, the president of the company reports that until the end of March, 1927, over two and a quarter million of new business had been written, which was considerably in excess of the amount written in 1926. In this letter, S. C. Tweed, the president, urges shareholders to realize that the period should be rapidly approaching when shareholders will be able to reap the benefits of the seven years' business that the company has built up. There seems no reason to doubt that this company can continue to share in whatever advantages accrue to Canadian life insurance companies from continued prosperity during the next few years. The stock is good.

DO YOU VALUE RELIABLE INFORMATION?

Over $9,500,000 in cash was paid as dividends by the gold and silver mines of Ontario last year.

DID YOU GET YOUR SHARE?

Two years ago we advised the purchase of Teck-Hughes at $1.35. Now the mine has entered the dividend paying stage and the stock is selling above $7.50.

At the present time, we strongly recommend a **LISTED** stock, representing a **WORKING** property and selling right now below **TEN CENTS**, which we certainly believe has a brilliant chance to make good.

If you are interested in mining, and would like to know what this stock is, and why we recommend it, write your name and address on a post card, and mail it to us.

This does not obligate you to us in any way. **On listed and unlisted securities our means of obtaining the most reliable information assures you of that protection which conservative investors appreciate.**

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Smooth Young Crook Fleeces Britishers in Canadian Stocks

After Making Them Money in One Stock, Robs Big Group

HAS CANADIAN RECORD

Unsuspecting Old Country Folk Victimized in Confidence Game—Used Stock Exchange Name

The story of a Canadian fleecer, who went to England and defrauded a number of respectable investors in that country of sums running into thousands of pounds, is now trickling out in various ways. The crook in question is not unknown to the Canadian financial community, and before carrying on his operations among the gentry of the Old Land he scorched the financial fingers of more than one Canadian investment house, who took him at his face value, without too close investigation of his habits.

The story is, unfortunately, one that has been repeated in too many cases in the Old Land. It reveals some little trusting simplicity on the part of the English folk who trusted him, but nevertheless tells one reason why British capital occasionally fights shy of even sound Canadian enterprises.

Used Letters of Introduction

Letters of introduction from highly placed Canadians were part of the ammunition used by this investment sharp-shooter in his sniping activities on the British line. How he got the letters of introduction remains a mystery. Those who have met the young man in question may understand. He has undoubtedly a winning personality, which he has played to the limit.

Armed with these letters from Canadians, who should have known better than to sign them, he made his way across the water, leaving a country which had few a people able to put him in jail if they had the willingness to accept the necessary attendant scandal. He registered at the best hotels in London and provincial centres, and made quite a social splash. His letters won him entree into the home of an excellent British family, anxious to do hospitality to a Canadian.

Made Them Money At First

It was not long before investment matters were touched upon. He gave confidential information on Canadian securities to his new found friends. One of his tips was on Gooderham and Worts. In Gooderham and Worts, his friends made excellent profits. When further tips came along the friends not only were willing to give him their money to play with in the market but were anxious to do so. They even induced their friends to pay out large sums for investment. Soon he had access to substantial sums of the savings of his British friends.

Having won the confidence of these good people, it was not hard for him to take his next step. This was to induce them to allow him to invest their money without telling them what securities they were buying. He told them that his operations were being conducted on the Toronto Stock Exchange; if he had to reveal the names of the stocks in which he was operating, the news might leak out and spoil his plans. He gave to each investor a receipt signed, ostensibly by a firm that is a member of the Toronto Stock Exchange. Even though the receipts were discernible as having been printed in England there was evidently no question raised as to their authenticity.

Had $10,000,000 to Play With

The operations grew very rapidly and it is said that at one time the young crook had as much as two millions of pounds of money in his possession.

The next chapter is tragedy. The young man disappeared. So did the money. The British investors sent a representative to Canada. Fearing publicity, the representative of the investors turned down proffered advice to put the affair in the hands of the law. Instead, the representative sought out the Toronto Stock Exchange member, whose name was signed to the receipts. This house denied any connection with the young man and stated that the receipts were absolutely without authority. The money was apparently gone irretrievably.

So the situation stands to-day. It is possible that the circumstances may be made public through criminal or legal action and it is certain that, if they are, a scandal will be raised that will bring in the names of certain important and "respectable" people who were apparently connected with the Canadian crook. Strong efforts are being made to induce the British investors to take action, even at the expense of their own embarrassment, in order to make an example of the crook and to herald to others the necessity of caution in giving letters of introduction and in investing through smooth individuals with persuasive personalities.

Love Interest Hinted

The story is given a further touch of color by the suspicion that a love interest was not lacking in the English operations.

Suspicion has been aroused as to the absolute mental stability of the fleecer. It is suggested that his methods suggest an unbalanced mind, that he is more dangerous than rapacious.

In any event he has victimized a group of honest British citizens and raised a scandal that will react to the detriment of Canada in a not unimportant circle of British investors.

Holders of German Bonds Must Act

From Our Own Correspondent

MONTREAL. — Holders of German government bonds who have not turned in their certificates to be exchanged for certificates of the new loan liquidation debt will have to act quickly, or otherwise they will forfeit all their rights.

Before June 30, all the direct issues of the German government and bonds of the following states: Prusia, Bavaria, Saxony, Wuerttemburg, Baden, Hessen, Mecklenburg-Schweren and Oldenburg, will have to be forwarded to the Banque Canadienne Nationale, to be exchanged for new reichmark bonds. Bonds which have not been turned in by June 30 next, will become void and will no longer represent any claim against the German government. The only German government issue which has been excluded from re-valuation and which will not be accepted for exchange is the compulsory loan issue of July 20, 1922.

POST-Scripts

AT THE recent dinner of the Investment Bankers' Association in Ottawa, Hon. Lucien Cannon and Hon. J. A. Robb were the principal speakers. Mr. Cannon got off one at the expense of Mr. Robb that was particularly appreciated.

"Mr. Robb is the watch dog of the treasury," explained Mr. Cannon, "and every request for money that goes before him is either refused or is shaved down somewhat. If a department asks for $100,000 it may get $75,000, always less than it asks.

"Mr. Robb and I were at an affair the other evening and we were figuring what time we ought to ask the car to call back for us," explained Mr. Cannon. "I suggested ten o'clock. From sheer force of habit Mr. Robb said 'Let's make it a quarter to ten'."

ON INCOME running into seven figures (that is to say seven figures before the decimal point) is a mighty large income. When the income is derived from a single enterprise it is a rarity; it is even a marvel to ordinary folk. A very limited number of Canadians draw a million or more from their interest in one enterprise. According to gossip now going the rounds of the financial community two more names have been added to the list. James Playfair and Noah Timmins are said to have struck a bonanza in the California oil venture in which they made a joint investment. Gossip is, of course, no respecter of exactitudes, which may explain the reason why the story tells that Playfair and Timmins will share ten million a year out of this one venture.

Playfair made his money in shipping and ship-building and recently sold out to Canada Steamship Lines. Timmins, of course, is Canada's biggest mining operator but he has a few ventures outside of that field, notably the St. Lawrence Paper Mills at Three Rivers, which is a full-fledged newsprint organization.

THE layman often expresses surprise at the ability of the newspaper man to erect a bright yarn on anything but an array of facts. However clever the writer may be, his ingenuity—or nerve—along such lines is always excelled by that of any bright newspaper girl.

The recent erection of the new north wing of the Banff Springs Hotel provided Mary Crandall, the charming press representative of the C.P.R., with one such story.

Miss Crandall's yarn is a nature study dealing with the pneumatic riveters used in rebuilding the C.P.R.'s hotel. These are the noisy machines, widely used in steel construction, which so often disturb tired executives at work in nearby buildings.

The tap-tap-tap of the machines at Banff echoed and re-echoed along the still valleys of the Rockies. All the woodpeckers within 100 miles of the Bow River Valley heard the sound and naturally interpreted it to be other woodpeckers calling for their mates. And so, from all over the Rockies, in their hundreds and in their thousands, came lonely woodpeckers to Banff.

Portrait of the first delegate to arrive at the Banff convention.

As far as the facts are concerned it is certain that the Valley of the Bow is now literally jammed with woodpeckers. But the mechanical super-woodpeckers are gone.

When Women Invest

A Reader, New to Investment, Asks Some Questions Concerning No-Par Stock and Capitalization.

A reader new in investment has asked these questions:

What is the meaning, and functioning of no par stock?

What is the relation of outstanding capital to a corpn.?

Does a corpn. have to pay dividends on outstanding capital?

Is a large proportion of outstanding stock a favorable indication, when sizing up the stock of a corpn. for trading?

What benefit does a corporation get by listing their shares on the stock market?

Does the corporation use the money of their stock sold on the stock market?

A no par stock is simply a stock which has no nominal value. When dividends are paid on it, the dividends are at the rate of so many dollars or so many cents per quarter, or per year. One purpose of the no par stock is to scale down the capitalization of a company. It's chief value is to get rid of the necessity of putting an arbitrary figure in each share.

The outstanding capital of a company is the amount of shares in the hands ofstock holders. Some shares may be still unsold and are not counted. A company which has been operating profitably and has not distributed all of its earnings in dividends has a corporate surplus.

A corporation, like an individual, must pay interest on its bonded debt. It also is expected to pay the preferred dividends when earned. Usually preferred dividends are also cumulative, so that a deficit in one year may be made up later. There is no obligation to pay dividends on the common stock of a company unless the directors decide that such payments are feasible and expedient.

The amount of stock which a company has outstanding should not be greater than the amount on which the company normally can earn. Excessive capitalization is one of the worst evils of corporate financing, and it is fortunate that in some lines of financial endeavor at least, considerable progress has been made in eliminating over-capitalization.

A company benefits from the listing of its shares on the stock market because its securities are well-known and, assuming that the dividends are paid promptly and in reasonable amount, additional financing is much easier for such companies. There is also an advertising value for the products of companies which have their stocks listed.

A corporation is interested merely in the original sale of its stock at the prices at which investment bankers buy it. The company gets no further funds from this source, unless there is an additional issue of treasury stock.

A report of the Department of Immigration and Colonization shows April's record of immigrants at 35,441—11,803 British, 21,120 from other ports and 2,518 from the United States.

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POLL CONFIRMS BROOKS IN ROW IN MOTORS CO.

Various Legal Actions Still Are Pending in Fight For Control

The report of the scrutineers which was presented at the final meeting of Brooks Steam Motors shareholders on Friday, June 17, confirms definitely the status of the directors and officers of the company, and ratifies the minutes of the meetings on April 29 and May 28. Various legal controversies still are pending, however.

The scrutineers' committee was composed of A. M. Latchford, chairman; M. Vandervoort, Jr., representing the company; and Miss Prousky for the committee of shareholders. The two former members brought in a majority report to the effect that although many of the common share proxies were disputed, nevertheless they counted them all because no particular form of proxy is required by company's by-laws. Miss Prousky brought in a minority report which stated that although she agreed with the figures as shown by the report, nevertheless there was no way of verifying the signatures on the ballots, nor any record of attendance at the meeting, nor any way of telling whether a ballot was put in by a shareholder or by someone else. She also objected to the fact that preference shares had not been counted, and that large block of stock had been ruled out because of the fact that the proxy had been given to a lawyer who was not a shareholder.

The actual figures presented by the scrutineers, showed that the vote to amend the minutes of the annual meeting had been defeated by 34,985 for to 50,258 against and that the motion adopting the annual minutes as read, was carried by a vote of 50,375 for, and 34,495 against.

Of the several legal actions which are pending between the warring parties, the two most important, from the viewpoint of the shareholders, are:

A petition to have the courts order a new annual meeting to be held under the jurisdiction of the court, and

An application for an injunction to prevent O. J. Brooks and other directors from putting into effect an agreement whereby Brooks Steam Motors transfers to Eureka Engineering Co., a Delaware corporation organized by Brooks' interests, the United States rights to patents acquired by Brooks Steam Motors.

Loew's London Dividend

The directors of Loew's London Theatres, Ltd., have declared a dividend of 3½ per cent. on the preference shares of the company for the half-year ending June 30, payable on July 15 next. A dividend has also been declared by the company of 25c. per share, being at the rate of 2½ per cent. on the common shares, and a bonus of 5 cents a share, both payable on July 15 next, to shareholders of record on June 30, in all cases

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Investment Market News

MUNICIPAL BOND OUTLOOK CAUSE FOR CONFIDENCE

Many Promising Factors Point to Improved Situation

Attention of investors in the past few months, has been directed more toward industrial than government or municipal bonds.

Low yields of the latter have proven unattractive. Plenty of money is available for investment, and the prospective purchaser, who, in the past looked for safety above all else, feels inclined to take the larger yield at the expense of a smaller margin of security. New issues placed on the market last year, therefore, were readily absorbed. So far this year, there has been no abatement in the volume of financing, but in recent weeks the market has shown signs of indigestion and buying of industrial bonds and preferred stock has fallen off.

This reaction has naturally had an effect on other types of bonds, including municipals. Although prices have not fallen to any untoward extent, the softness of the market practically precludes any active buying in the immediate future. The future outlook for municipal bonds of the better grade, however, is far from being discouraging. Three factors combine to give a feeling of confidence that the municipal bond market will develop much strength by the fall months.

Stock Markets Hesitant

One of the most important factors contributing to this situation, is the hesitant tone in the Canadian and New York stock markets. The general feeling is that the peak of prices has been reached and that a reactionary period of some moment will be in force during the months just ahead. This means that those people "long" on stocks are going to cover and the money so realized will be withheld from the stock markets until a more favorable opportunity. Easy money rates still prevail and there has been no indication of the banks tightening up of loans and while this will have a steadying effect on securities of the better class, there will in all likelihood be a general overhauling of the complete list and the good stocks will go lower in sympathy with the more speculative issues.

Bonds of the industrial companies will likewise experience a reactionary movement and while the equity behind these securities will not be impaired, people looking for safety as a primary factor in their investments will be inclined to let them go and reinvest their money in government obligations. Business has been good during the first half of the current year and while competition is excessively keen and the margin of profit small, earnings of the well-managed companies will probably compare favorably with those of other years.

Heavy Dividend Payments

Another point worthy of consideration is that July and August are two of the heaviest dividend paying months of the period. Consequently, large sums of money will become available for reinvestment and as long as present market tendencies continue, there will be no desire to put money in stocks or other securities which could be affected by the vagaries of the market. Trusts, insurance companies, trustees and other large purchasers of bonds will not jeopardize their resources and will naturally place a larger percentage of their money in such securities as can be realized upon readily without impairment of principal.

Thus with unusually large dividend payments forthcoming in the near future, uneasiness in the stock markets, and the tendency to consolidate investments, it is safe to assume that interest will again return to municipal bonds. The summer months are usually a quiet period in the municipal bond market and this year is no different. But there is this difference, that the movement toward municipals is gaining in momentum and buying this fall should be better than it has been at any corresponding time in the past five years or better.

Shearing Season in Ontario Held Up By Cold Weather

While there was a little very early shearing of wool in Ontario this spring, generally speaking the season is later than usual, as the weather from May on turned cold and wet. In many parts of the province the job is still to be carried out. Undoubtedly a lot of wool will come off during the first spell of warm weather. In many districts local sheep breeders arranged to load their wool on a certain day, but as the season was late these dates came too early for the average shipper, who will now consign his wool in individual lots.

As a matter of fact, points out the Canadian Co-operative Wool Growers, Limited, by far the largest amount of wool received from Ontario points comes in individual shipments, at times and stations most convenient to the shipper. Only about 25 per cent. of the total is loaded on these shipping days, the remainder coming along in lots varying from a few pounds to several hundred, loaded and consigned by individual sheep owners.

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo.-Ft. Erie Bdge 7s '55	107¾	108¾
Do., 8s '45	107	108½
Buff Gen Elec 1st 5s '39	103½	...
Bfo N & E Pow 5s '30	102	103½
Lockport L H & P 5½ '54 ...	103½	...
N. F. 1st & Com. 6s 1950	105	106
Niagara Falls Pw. pf.	28¼	29¼
Niag. Lock & Ont. pf.	113	115

Dividends Declared

Company	Rate	Date	Record
C. P. R.	2½%	June 30	June 1
Page Hersey	75c.	July 1	June 18
Do., pref.	1¾%	July 1	June 18
Tuckett Tob., com.	1%	July 15	June 30
Do., pref.	1¾%	July 15	June 30
Jamaica Pub. Ser. p.	$1.75	July 2	June 15
Mackay, com.	1¾	July 1	June 4
Do., pref.	1%	July 1	June 4
Can. Permanent	3%	July 2	June 15
Canada Landed	2½%	July 2	June 15
Bk. of N. Scotia	4%	July 2	June 15
Belgo. Can. Paper, pref.	1¾%	July 2	June 3
Do., com.	1½%	July 12	June 30
Dom. Glass, com.	1¾q'	July 2	June 15
Do., pref.	1¾q	July 2	June 15
South. Can. Pr.	1%	July 15	June 30
Wabasso Cot.	$1+50*	July 2	June 30
Huron & Erie M.	1¾%	July 2	June 15
Canada Trust	5%	July 2	June 15
Bell Telephone	2%	July 15	June 23
H. Smith Pa. pr.	2%	July 11	June 30
Landed Banking	5%	July 2	June 15
Dom. Bank	3%	July 4	June 30
Nat. Brew., com.	$1	July 1	June 15
Do., pref.	1¾%	July 1	June 15
St. Maur. V. pfd.	1¾%	July 2	June 15
Sher. Will., com.	1½%	June 30	June 15
Do., pref.	1¾%	June 30	June 15
Dom. Stores	60c	July 1	June 15
Duluth-Sup., com.	$1	July 1	June 13
Nor. Mexico Pr., com.	1%	June 30	June 15
Do., pref.	1¾%	June 30	June 15
Toronto Mtge.	2½%	July 1	June 15
Twin City, com.	$1	July 1	June 13
Do., pref.	$1.75	July 1	June 13
Pacific Burt, com.	1½%	July 2	June 15
Do., pref.	1¾%	July 2	June 15
Pacific (Coyle) Nav.	1¾%	....	......
Brazilian Tr., pref.	1½%	July 1	June 15
Hunts, Ltd., pref.	2¼%†	July 1	June 15
Central Can. Loan	3%	July 4	June 15
Muskoka Lakes Nav.	6%	Aug. 1	July 1
Can. Steam., pref.	1½%	July 2	June 15
National Trust	3%	July 2	June 20
Ontario Loan	3%	July 2	June 15
Toronto Gen. Trusts	3%	July 1	June 15
Shawinigan W. & Pr.	50c	July 11	June 24
Barcelona Pr., com.	1%	June 30	June 21
Do., pref.	1¾+1%	June 30	June 21
Cons. Smelters	5%+$5*	July 15	June 30
Laura Secord, pref.	1¾%	June 30	June 15
Winnipeg Elec., pf.	1¾%	July 1	June 6
Building Prod., pf.	1¾%	June 30	June 15
Inter. Nickel	50c	June 30	June 16
Ott. Mont. Pr., pf.	1¾%	July 15	June 30
McKinnon Ind., pf...	1¾%	July 1	June 15
Can. Gen. Elec., pref.	1¾%	July 1	June 15
Can. Loco., pref.	1¾%	July 1	June 20
Eastern Trust	2%	July 2	....
Alta Pac. Grain, pref.	1¾%	July 1	June 15
Ottawa L. & P., com.	1½%	July 1	June 15
Do., pref.	1⅝%	July 1	June 15
Mutual Finance, pref.	4%	July 15	June 20
Dom. Textile, com.	$1.25	July 2	June 15
Do., pref.	1¾%	July 15	June 30
Inter. Paper, pref.	1¾%	July 15	July 1
South. Can. Pr., pref.	1½%	July 15	June 25
Do., pref.	1½%	July 15	July 1
Power Corp., pref.	1½%	July 15	June 30
Can. Nor. Pr., pref.	1¾%	July 15	June 30
Nor. Ont. L. & P.	3%	July 25	June 30
Mont. Finance, pref.	4%	June 30	June 1
Quebec Power	1¾%	July 11	June 24
Ottawa Traction	1%	July 2	June 15
Mining Corp.	12½c	July 15	June 28
Dom. Power, pref.	1¾%	July 2	June 17
Laurentide	1½%	July 1	June 24
Can. Salt	2%	July 1	June 24
Pressed Metals	75c	July 15	June 25
Do., pref.	1¾%	July 1	June 21
North. Star Oil, pref.	1¾%	July 4	June 15
Can. Car. & Fd., pf.	1¾%	July 9	June 25
Premier Gold	8c	July 5	June 14
Canada Bread, 1st pfd.	1¾%	July 1	June 15
Do., "B" pref.	1¾%	July 2	June 15
Goodyear Tire, pref.	1¾%	July 2	June 15
Brewers & Dist.	2½%	July 15	June 30
City Dairy, com.	75c	July 1	June 18
Do., pref.	1¾%	July 1	June 18
Eastern Theatres, pfd.	3½%	July 30	June 30
Monarch Mort, com.	5c	July 15	June 30
Do., pref.	4%	July 15	June 30
Loew's London, pfd.	3½%	July 15	June 30
Do., com.	25c.+5c. *	July 15	June 30
Gould Pumps	2%	July 1	June 20
Do., pref.	1¾%	July 1	June 20
Can. Con. Cot., pfd.	1%	July 1	June 15
Shredded Wheat	75c.	June 30	June 21
Sterling Coal	1%	July 4	June 30
Dome Mines	25c.	July 20	June 30
West Koot. Pr. pfd.	1¾%	July 2	June 27
Abitibi Pr. pfd.	1¾%	July 4	June 20
Consumers Gas	2½%	July 2	June 15
Real Estate Loan	3½%	July 4	June 20
Canada Paper pref.	1¾%	July 1	June 24
Inter. Utilities "A"	87½c.	July 15	July 2
Brompton	50c.	July 15	June 30
Woods Mfg. pref.	1¾%	July 2	June 27
Gilman Fanfold, com.	1½%	July 2	June 20
Do., pref.	1¾%	July 2	June 20
Can. Cement, com.	1½%	July 16	June 03
West. Grocers, pfd.	1¾%	July 15	June 30
Imperial Bank	3%	Aug. 1	July 15
Russell Motor, pref.	1¾%	Aug. 1	July 1
Amer. Salesbook com.	$1	July 2	June 15
Marcus Loew's pfd.	3½%	July 15	June 30
Nipissing Mines	1½%	July 20	June 30
Brant. Cord., pfd.	2%	July 15	June 20
Muirheads Cafet. pfd.	25c.	July 1	June 15
Comm. Finance, com.	$2	June 30	June 20
Do., pref.	3½%	June 30	June 20
Traymore	1¾%	July 1	June 18
Burt, F. N., com.	75c.	July 2	June 17
Do., pref.	1¾%	July 2	June 17
Wm. Rogers, pref.	1¾%	July 2	June 17
London Loan	1¾%	July 1	June 15

*Bonus.

New Interests to Manage British Celanese Affairs

The recent annual meeting of British Celanese in London, was conducted in an uproar as Chairman Guy Dawnay and four directors resigned and three other directors were removed from office by shareholders supporting Dr. Henry Dreyfus, who, with his brother, Dr. Camille Dreyfus, had acquired control of the company.

The directors who resigned with Chairman Dawnay are, R. A. Murray, A. E. Roberts, Sir Trevor Dawson and N. S. Sandemann. Those removed from office by action of the shareholders are J. G. Raphael, L. Chandler and Capt. F. E. Guest.

The present board will consist of Drs. Henry and Camille Dreyfus, managing director and president, respectively, of British Celanese and Celanese Corporation of America; Alexander Clavel; and Sir Philip Henriques, the latter representing the British Government.

Canadian Celanese, Ltd., with plant at Drummondville, P.Q., operates under the same patents.

Dominion Bank Appointments

Dominion Bank announces the following staff changes:

S. C. Cook has been appointed manager at Queen and John Streets branch, Toronto.

G. G. Kenzie has been appointed acting manager at Brantford, Ontario.

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Oil Investment Trust Company Stock Sold

From Our Own Correspondent.

MONTREAL.—The Montreal Curb Market firm of F. J. Fairhall and Associates is making a stock offering of shares in a new and interesting form of investment trust.

The Diversified Standard Securities, Limited, has been incorporated under the laws of the province of Quebec. The interesting point about the company is that by its charter it is limited to purchasing only securities of the Standard Oil Companies and their subsidiaries. The operations of these companies are carried out in all parts of the world and thus the new investment trust has over 100 different securities, in which it can invest the proceeds of the present financing.

Application to list the common shares of the company will be made to the Curb Market in due course. The directorate of the new company is as follows: Senator P. E. Blondin, Horace R. Huot, A. Morrison Baird, F. J. Fairhall, C. W. Johnston and Lt.-Col. James Cooper.

The particulars of the issue follow:

$1,000,000, 8 per cent. cumulative preferred shares.

Diversified Standard Securities, Limited.

Par value $25; callable at 105 per cent. of the par value.

The Company—An investment trust which can only invest its funds in the securities of the Standard Oil Companies and their subsidiaries. A maximum of 15 per cent. of the assets may be invested in one security.

Capitalization—On conclusion of the present financeing will be as follows:

$1,000,000, 8 per cent., $25 par value, cumulative, preferred shares and 100,000 common shares of no par value.

Earnings—As many securities of the Standard Oil and its subsidiaries may now be purchased on a 7 per cent. yield basis, the yield from the investment of the present financing will be sufficient to meet the 8 per cent. cumulative preferred dividend requirements. Satisfactory stock dividends and rights are also anticipated from the company's investments.

Offered—June, 1927, by F. J. Fairhall and Associates. Sold in units of one preferred and two common shares at $35 per unit.

RUSSIAN BONDS

Inaction on the part of the Soviet Government with respect to obligations of the old Russian Government as represented by certificates of participation in the 50,000,000 6½ per cent. 3-year Imperial Russian Government credit, dated July 10, 1916, has caused the protective committee to ask holders of participation certificates and certificates of deposit for an extension of the protective agreement now in force, for another three years. The committee, which represents $41,836,000 of the issue, has no authority to act for holders who have not deposited their participation certificates but will accept the latter under the terms of the original agreement.

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CALGARY, Alberta

RELIANCE ASSETS LOWER DEBT TO HOLDERS OF STOCK

Property in Toronto Gradually is Being Realized at Fair Prices

A further reduction of its obligation to preferred shareholders, is announced by the Standard Reliance Assets, Ltd., in its annual report recently published. This company was organized in 1919 as a receivership for the Standard Reliance Mortgage Corp., and during the years that it has been in operation it has steadily reduced its obligations to preferred shareholders who are the preferred creditors of the old company. During 1926 the company paid an additional $317,040 to the shareholders, which brings the total amount paid to date, up to $2,658,010, or about 50 cents on the dollar. The company also showed a small surplus on its year's operations, the amount being $55,027 as against $98,818 a year ago. Total surplus now stands at $262,836 as against $23,073 a year ago.

According to the statement made by L. V. Wright, secretary of the company, in his annual report, the company is rapidly approaching the point where its remaining assets cannot be realized upon sufficiently rapidly to permit payments to preferred shareholders at the same rate as heretofore, unless such assets should be forced to sale, and in all probability largely sacrificed.

The assets of the company (which include the subsidiary, Dovercourt Land, Building & Savings Co.) are largely comprised of three main groups, namely, improved revenue-bearing properties situated in the dowhtown section of Toronto; unimproved real estate and vacant lands; and mortgages receivable and agreements covering the sale of land.

The central city properties are largely comprised of the Yonge Street Arcade, and certain other properties in the near vicinity, all of which are revenue producing. Unimproved real estate and vacant lands held for sale consist of four classes, namely:

(a) Building lands within the city of Toronto, valued at $360,000.

(b) Lands within the limits of the city of Toronto suitable for business sites, valued at $65,000.

(c) Suburban lots which are widely scattered, valued at $200,000.

(d) Western and all other real estate, which is appraised at $20,000.

The bulk of the company's lands in larger and more important areas (in which improvements have been installed) having now been sold, the remaining holdings, spread over scattered areas, have become reduced, making realization more difficult and slower to effect. During the past year sales of vacant land amounted to $148,600.

Mortgages receivable and agreements covering the sale of lands are valued at $1,087,670.27, and approximately $600,000 of such mortgages and agreements are income-bearing.

Profits Are Half-million

As a result of the company's policy since its incorporation, profits in excess of $500,000 have been obtained, and, with $200,000 added to reserve funds from such sources during the year, the surplus of the company (excluding interest to preferred stockholders) now amounts to $262,835, as compared with a deficit of $696,712 shown at the date of reorganization.

The following figures summarize the company's revenue and expenditure during the past three years, and also record the amount paid to preferred shareholders during that period:

Revenue and Expenses

	1926	1925	1924
Revenue	$188,630	$238,866	$253,751
Maintenance cost	101,892	106,222	113,489
Operating exp.	31,711	33,825	35,169
	133,603	140,047	148,658
Yearly surplus	55,027	98,819	105,093
Total surplus	262,836	23,073	x331,944

x Deficit.

Amt. paid to pref. shareholders	$317,040	$327,385	$335,776

Unlisted Bonds

	Bid	Asked
Abitibi Fibre 6s, 1927	97	97⅞
Abitibi P. & P. 6s, 1940	103	104⅛
Algoma Steel 5s, 1962	28	29¼
Alberta Pac. Grain 6s, 1946	98¼	99
Bell Telephone 5s, 1955	101	102
Belgo. Can. Paper 6s, 1943	101½	102⅜
Brandram-Henderson 6s, 1936	96¾	98½
B. C. Pulp & Paper 6s, 1950	89	93
Brompton P. & P. 6s, 1946	99¼	100
Burns, P. & Co., 6½s, 1943	103	104
Calgary Brewery 5s, 1942	89½	90½
Calgary Power 5s, 1940	92	93¼
Canada Lt. & Pr. 5s, 1949	91	93
Can. Nor. Power, 61s, 1941	102	103
Canada Paperboard 7s, 1937	98½	100
Can. Steamships 5s, 1943	98¾	99⅝
Can. Steamships 6s, 1941	97¾	98½
Can. Steel Foundry 6s, 1936	104⅝	105¾
Davies, Wm., 6s, 1942	95	96¼
Dominion Iron 5s, 1939	30¼	32
Dominion Pr. and Tr. 5s, 1932	97	98
Drummond Invest. 6½s, 1938	99	100
Duke Price Pr. 6s, 1966	103¼	104¼
East Kootenay Pr. 7s, 1942	103½	104½
Elec. Development 5s, 1933	100⅛	100¾
Famous Players 6½s, 1943	99	100¼
Fraser Co. 6s, 1950	98½	99
Gatineau Power 5s, 1956	95¾	96⅝
Gatineau Power 6s, 1941	99⅝	100⅜
Howard Smith P. & P. 6s, 1941	103½	104⅜
International Paper 6s, 1941	97½	98½
King Edward Hotel 7s, 1944	92	95
Lake Superior P. P. 6s, 1941	106	107¼
Laurentian Pr. 6s, 1936	102¾	103¾
Laurentide Pr. 5½s, 1946	101	102
Maritime Tel. & Tel. 6s, 1941	104	105
Manitoba Pr. 5½s, 1951	98⅝	99½
Mercury Mills 6½s, 1942	100¾	101¾
Mont. L. H. & Pr. 5s, 1951	100	100⅝
Mont. Pub. Service 5s, 1942	98¾	99¾
Nor Can. Pr. 6s, 1945	101	102½
Nor. Ont. L. & P. 6s, 1946	101	101⅞
Nor. West Utilities 7s, 1938	99⅝	100
Nova Scotia Steel 5s, 1959	63	69
Nova Scotia 6% Debs.	32	38
Nova Scotia Tram. 5s, 1946	92	93½
Nova Scotia Tram. 7s, 1952	99½	100½
Ont. Pulp & Paper 6s, 1931	109	110¼
Ottawa Hull Pr. 6s, 1948	103½	104½
Ottawa L. H. & Pr. 6s, 1953	103	104½
Ottawa Mont. Pr. 6½s, 1949	102	103
Ottawa Trac. 5½s, 1955	101	101¾
Ottawa River Pr. 6½s, 1953	101¾	102⅝
Port Alfred P. & P. 6½, 1943	101½	102
Price Bros. 6s, 1943	103	104
Prov. Lt. Pr. 5s, 1946	101¼	102
Rio Tramway 5s, 1935	95¼	96
Sao Paulo Tram. 5s, 1929	97¾	98½
St. Lawrence Paper, 6s, 1946	97	98
St. Maurice Pr. 6½s, 1953	107¼	108
St. Maurice Valley 6s, 1945	98¾	100
Shawinigan W. & P. 6s, 1950	104½	105¾
Simpson's, Ltd., 6½s, 1945	103¼	104
Southern Can. Pr. 5s, 1955	98½	99¼
Spanish River P. & P. 8s, 1941	106¾	107½
West Kootenay Pr. 6s, 1943	103½	105

STERLING COAL PROFIT LOWER IN PAST YEAR

Surplus of Bituminous is Given as Reason For Reduction

Net profits of the Sterling Coal Co., after deducting operating expenses, cost of management, provision for depreciation, and bond interest, are $27,437 for the year ending March 31, 1927, as against similar profits in 1926 of $93,562, and profits in 1925 of $70,639. Once again the company has had to dip into its surplus in order to meet the 4% dividend requirement on its capital stock, which amounts to $100,000 or 4% annually. After making this provision, the profit and loss surplus of the company stands at $401,406 as against $453,969 at the end of March, 1926. The company also made an adjustment in its General Contingent Reserves, by transferring $20,000 from that account to profit and loss surplus.

In commenting on the company's position, the president, C. B. McNaught reported that while the company's mines had been operated with reasonable steadiness, the overproduction in the bituminous coal market, had resulted in very unsatisfactory prices. The 1927 output has been sold on a much more favorable basis, however, which should be reflected in the next operating report. A summary of the profit and loss account for the last three years, shows the following situation:

Profit and Loss

Year end. Mar.31	1927	1926	1925
	$	$	$
Profits	77,753	93,562	70,639
Bond interest	50,316	......	......
Net profits	27,437	93,562	70,639
Trans from con. res.	20,000	......	......
	47,437	93,562	70,639
Dividends	100,000	100,000	100,000
Surplus for year	*52,563	*6,438	*29,361
Prev. surplus	453,969	460,407	489,768
P. & L. surplus	401,406	453,969	460,407

*Deficit.

The company's balance sheet shows curent assets amounting to $916,186, and current liabilities of $459,241, as against similar items in 1925 of $894,974 and $400,151. The General Reserve against properties and investments has been reduced to $81,465 by the deduction of $11,779 additional reserve against investments in subsidiary companies. Accounts receivable and accrued interest on investments are slightly lower, amounting to $218,870, as against $230,518 a year ago.

The policy of Conger Lehigh Coal Co., the company's distributing subsidiary, of opening branch coal depots in various cities in the province has been continued, and that company now operates businesses at Guelph, Kitchener, Oshawa and St. Catharines, and will be operating in Brantford at the beginning of July.

FEAR DAMAGE TO CREDIT OF CANADA IF C.N.R. BOND DECISION DELAYED

(Continued from page 1)

May 6, 1970, the company reserving the right on the 6th of May, 1940, or on any subsequent interest date, to redeem the whole of the new stock outstanding at par on not less than three months' notice. Principal and interest on the new stock was to be guaranteed by the Dominion government.

This proposal met with the favor of the shareholders' committee, but was turned down by the Dominion government, so that the matter of effecting an adjustment of the rights of the income debentures is still undecided. It is needless to say that this summary dismissal of the scheme of arrangement caused much dissatisfaction among the English shareholders and the matter was further aggravated by a new finding of the committee which has an important bearing on the status of this stock. In the memorandum of October 5, 1926, (Scheme of Arrangement) the order of ranking of the income stock was dealt with and it was pointed out by representatives of the Canadian Northern Railway Co. that under clause 15 (c) of the trust deed, the right is reserved to the railway of placing ahead of the income debentures any further securities of the company which may from time to time be guaranteed by the Dominion of Canada or by any of the provinces.

Issue Mortgage in 1917

At the time no objection was taken to this statement, but subsequently additional information came to light, which puts an entirely new complexion on the standing of this stock. In a letter to Sir Henry Thornton, president of the Canadian Northern Railway Co., the secretary of the shareholders' committee says:

"It now appears that the railway company's advances to the Canadian Northern Railway Co. were funded and a general mortgage executed in 1917, authorizing the issue of bonds to the government specifically junior to the 5 per cent. income debenture stock. Thus, authority given by the Trust Deed to place ahead of the income debenture stock further securities of the company guaranteed by the Dominion of Canada, was waived by the Dominion government. The interest upon the Dominion loan to the Canadian Northern Railway Co., does not, therefore, as appeared heretofore, rank ahead of the 5 per cent. income debenture stock."

Committee Makes Demands

As a result, the committee has taken a new stand on the matter of the income debenture stock rights, and in a letter to Sir Henry Thornton, insists on a separate statement of earnings of the Canadian Northern Railway Co.; a new statement of the ranking of income debentures as compared with the Dominion government advances in view of the general mortgage of 1917; information as to what action, if any, has been taken by the Dominion government with regard to its advances to the Canadian Northern Railway Co.; and information as to the corporate structure of the Canadian Northern Railway Co.

No reply has been made to these demands, it is stated. While it has been rumored that the Dominion government will make further proposals for the straightening out of this matter, nothing has been done to date. But in view of the closeness of maturity, it is felt that the Dominion should make known its attitude in regard to this stock and forestall any further ill effects to Canada's credit in the Old Country, which will undoubtedly arise if the matter is left to drag along as in the past.

FOOD BUSINESS HAS SEEN REVOLUTIONARY CHANGES IN SHORT SPAN

(Continued from page 9)

Gunns Ltd., is the most important from a volume standpoint. The packing business has not been profitable lately on account of lack of export trade and keen competition at home, and the packers feel that by combining their interests they will be in a position to reduce overhead and competition to a large extent, and be in a better position financially.

Soap Firms Co-operated Some Years Ago

The Canadian soap industry has also had its ups and downs. It was many years ago that the amalgamation was formed between Lever Bros. and the Pugsley, Dingman Co., two of the largest soap concerns in the Dominion. Then later, came the big merger of the combined interests of Lever Bros. and Pugsley, Dingman with the St. Croix Soap Mfg. Co., makers of Surprise Soap and the John Taylor Co. In the meantime, a branch of a strong United States firm was located in Hamilton, and has long since become a keen contender for Canadian business—The Procter & Gamble Co.

Large Cereal and Other Food Mergers

While in recent years there have not been many changes in the flour and cereal business in Canada, there have been some in the United States, which have affected the Canadian trade. Reference is made to the Quaker Oats Company and the Postum Cereal Co. The former took in the Aunt Jemima Pancake Flour business and is now the sales representative in Canada of the Aunt Jemima product. The Postum Cereal Co. have included in their organization Swansdown cake flour, Jell-O and Minute Tapioca Co.

These mergers may be attributed to the desire to reduce overhead, particularly in selling, as all the companies were in healthy positions before. It was felt that with one selling staff the same organization could considerably reduce sales overhead. These mergers took place within the past year or so.

In the cocoa and chocolate business Rowntees of England have become associated with the Cowan Co. of Canada, and both brands are now being made in the one plant. Fry's and Lowney's have worked together for some time.

The two Kellogg cornflake firms have become one, following lengthy litigation as to which had the right to the name "Kellogg."

The B. C. Fishing & Packing Co., a few months ago absorbed the Wallace Fisheries Co., salmon packers, Vancouver.

The Kraft Co. have taken over the cheese business of the MacLaren Imperial Cheese Co.

Tenders and By-laws

June 27, County of Renfrew—$15,000 5½ per cent., 20-year. R. J. Roney, County Clerk.

June 25, Moose Jaw—$186,518, 5 per cent., 10, 15 and 30-year. Geo. D. Mackie, city commissioner.

June 30—Saskatoon Sch. District—$180,000, five per cent., 30-year debentures. Wm. P. Bate, treasurer.

July 4, Village of Mont Joli, P.Q.—$16,000, five per cent., serial bonds. J. Dube, Sec.-treas.

June 29, Town of Terrebonne, P.Q.—$95,800, five per cent. serial bonds. L. Gravel, sec.-treas.

June 27, School Commissioners of Chicoutimi, P.Q.—$45,000, five per cent. serial debentures. J. E. Blackburn, sec.-treas.

July 5, Town of Quebec West, P.Q.—$38,200, five per cent., serial bonds. J. P. Galibois, sec.-treas.

June 27, City of Sherbrooke, P.Q.—$230,000, 4½ or five per cent. serial bonds. A. Deslauriers, sec.-treas.

June 30, Town of Montmagny, P.Q.—$44,900, five per cent. serial bonds. J. Blanchard, sec.-treas.

June 28, City of Westmount, P.Q.—$487,000, 4½ per cent. serial bonds. Arthur F. Bell, sec.-treas.

July 4, City of Cap de la Madeleine, P.Q.—$234,000, $75,000, and $20,000, five per cent., serial bonds. R. Morrissette, city clerk.

July 4, School Commissioners of Three Rivers, P.Q.—$148,500, five per cent., serial bonds. A. Nobert, treasurer. (See announcement on page 16).

July 5, Town of Ste. Agathe des Monts, P.Q.—$130,000, five per cent., serial bonds. R. Daze, secretary.

July 5, Montreal Catholic School Commission—$2,200,000, 4½ per cent., 36-year bonds. A. Lafontaine, sec.-treas.

This Week's Bond Sales

CITY OF REGINA

Galloway, Cleary & Co. were awarded the $379,000, City of Regina, five per cent., 20 and 30-year bonds, at a price of 100.34, which is a cost basis of 4.98 per cent.

MANITOBA DRAINAGE DISTRICT

An issue of $200,000, Manitoba Drainage District, 4½ per cent., 30-year bonds, guaranteed by the province, has been sold to the Bank of Montreal on a bid of 99.89, which is equal to a cost basis of 4.67 per cent.

COUNTY OF RENFREW

The Corporation of the County of Renfrew awarded an issue of $18,152, 5½ per cent., ten-year bonds, to W. R. McCoo & Co., at 102.21. The bonds are payable in ten equal annual instalments. Tenders follow:

W. R. McCoo & Co.	102.21
Royal Securities Corp.	102.13
Dyment, Anderson	101.90
C. H. Burgess & Co.	101.81

VILLAGE OF FOREST HILL

Wood, Gundy & Co. were awarded an issue of $93,236 Village of Forest Hill, five per cent. bonds at 99.19. The issue was made up of $67,006, 30 instalments, and $26,229, 10 instalments. The bids were:

Wood, Gundy & Co.	99.19
McLeod, Young, Weir & Co.	98.29
Bank of Commerce	98.03
C. H. Burgess & Co.	97.80

CITY OF OTTAWA

An issue of $627,594, City of Ottawa, 4½ and 5 per cent., 10, 15 and 20-year debentures, has been awarded to Royal Securities Corporation at 98.529, a cost basis of 4.74 per cent. The bids were:

Royal Securities Corp.	98.529
Wood, Gundy & Co.	97.60
R. A. Daly and Bank of Nova Scotia.	97.547
Bank of Montreal	97.517
Fry, Mills, Spence Co.	97.41
Dominion Bank and C. H. Burgess	97.31
Mead & Co.	97.25
Beaubien Co.	97.22
National City Co.	96.89

TOWN OF NEPEAN

R. A. Daly & Co. were awarded an issue of $38,440, Township of Nepean, five per cent., twenty-instalment debentures, at the price of 99.93. Tenders were as follows:

R. A. Daly & Co.	99.93
Bell, Gouinlock & Co.	99.81
Royal Securities Corp.	99.79
Harris, MacKeen & Co.	99.62
J. L. Graham & Co.	99.425
W. L. McKinnon & Co.	99.424
Wood, Gundy & Co.	99.40
Dyment, Anderson & Co.	99.28
MacKay & MacKay	99.25
C. H. Burgess & Co.	99.11
Fry, Mills, Spence & Co.	99.01
Brouse, Mitchell & Co.	98.88

BOND MOVEMENTS OF THE WEEK
Week Ending June 21

Bonds	Int. Rate	Due	Yield	Range High	1926 Low	Range 1927 High	Range 1927 Low	Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos gen. mtge.	6	1956	6.52	83¾	81¼	94⅛	88	92⅞	91⅞	92⅞	92⅛
Do., 1st mtge.	6	1941	5.86	101⅝	98¼	102	92¼	101⅝	100⅝	101⅝	..
Canada Bread	6	1941	5.44	106	104	105½	105	..	105½	105½	..
Can. S. S. Debs.	5	1943	5.22	94	87	97½	97½	97½	..	97½	..
Can. Cottons	5	1940	5.20	99½	95	99¾	97	..	98	98	..
Dom. Iron	5	1929	9.49	94	86	92	69	..	91	88½	87
Cons. Rubber	6	1946	5.77	103	100	102⅝	102⅝	..	102⅝	102⅝	..
Mtl. Tram. "A"	5	1955	5.25	95	92½	96¾	94¼	96¼	95½	96¼	95½
Ogilvie "A"	6	1932	4.95	104½	103½	105	104¼	..	104⅛	105	..
Steel of Can.	6	1940	5.28	107½	106	107½	106¼	106¼	...	106¾	106¼
Wayagamack	6	1951	6.05	100⅝	90	100	97	99½	..	99¼	98⅛
War Loan	5	1931	4.60	100.40	100.35	101.85	101.00	101.50	101.15	101.00	..
Do.,	5	1937	4.55	104.95	102.75	103.75	102.95	103.75	103.35	103.75	103.15
Victory Loan	5½	1927	4.85	102.50	100.15	101.00	99.85	100.45	100.15	100.20	100.00
Do., Loan	5½	1933	4.60	106.35	103.20	105.20	103.90	104.45	104.25	104.40	104.05
Do., Loan	5½	1934	4.90	104.40	102.65	104.10	103.00	103.45	103.25	103.40	103.05
Do., Loan	5½	1937	4.56	109.30	106.70	108.20	106.90	107.85	107.50	107.60	107.30
Do., Renewal	5½	1927	4.55	101.95	100.00	100.80	99.90	101.40	101.10	100.00	99.90
Do., Renewal	5½	1932	4.90	103.90	102.00	103.55	102.05	102.90	102.35	102.25	102.05
Do., Refund	5	1928	4.75	101.35	99.00	101.45	99.75	100.35	100.10	99.75	....
Do., Refund	4½	1940	4.55	96.95	95.60	100.05	96.60	99.50	98.75	99.90	99.30
Do., Refund	5	1943	4.65	102.80	101.10	103.90	102.30	103.90	103.40	103.65	103.20
Do., Refund	4½	1944	4.56	97.15	95.70	100.10	98.05	99.50	98.75	99.30	99.25
Do., Refund	4½	1946	4.53	99.60	95.65	100.25	96.70	99.50	98.75	99.30	98.60

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Sold To	Rate	Maturity	Amount	Price	Cost Basis
		Municipal					
Village Forest Hill	June	Wood, Gundy & Co.	5%	10 & 30 ins.	$93,236	99.19	...
County of Renfrew	June	W. R. McCoo & Co.	5½%	10-yr.	18,152	102.21	5.04
Ottawa	June	Royal Securities Corp.	4½ & 5%	10 to 20 ins.	627,594	98.529	4.74
Saskatchewan Schs. and Phones	June	Various	....	....	50,025	....	...
Nepean Twp.	June	R. A. Daly & Co.	5%	20-ins.	38,440	99.93	...
Port Rowan	June	Harris, MacKeen & Co.	6%	....	11,000	106.85	5.12
Regina	June	Galloway, Cleary & Co.	5%	20 & 30 yr.	379,000	100.34	4.98
		Provincial					
Manitoba Drainage Dist.	June	Bank of Montreal	4½%	30-yr.	200,000	97.189	4.67

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Monarch Mtge. & Discount	June	L. S. Jackson & Co.	7%	20-yr.	$1,000,000	100	...
			(With bonus of common stock).				
Windsor Arms, Ltd	June	Blackstock & Co.	6½%	1947	350,000	98½	6.65%
Federal Mortgage Corp.	June	Stowell, Beers & Co.	6½%	1947	800,000	100	...
			(With bonus of one-half share common stock)				
Stock Issues—							
Sobie Silk Shops	June	Johnston & Ward	7%	Pref.	5,000 shs.	$25	...
			(With bonus of one-half share common stock)				
Supertest Petroleum Corp.	June	Dickson, Jolliffe & Co.	7%	Pref.	$278,900	100	7%
		(Bonus of 4	shs. of common stock with every 10 shs. pref.)				
Adanac Brewing Co.	June	C. C. Cross & Co.	8%	Pref.	8,000 shs.	$25	...
			(With bonus of one common share)				

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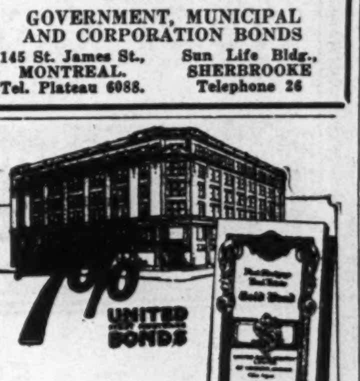

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To you, the investor, this means two things:

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First Article in a New Series on the Finances of Our National Railways.

Criticisms of Golf Courses and Radios Are Unfair

By RIELLE THOMSON.

When the Canadian National Railway recently published its 1926 annual report, two evening daily papers in one city published headlines. One said "C.N.R. Costs Government Some $30,000,000." The other burst out with: "Railways Earn Over $2,000,000 After Fixed Charges."

Both statements are correct and while both these covered the subject very fully, one stuck only to the pros, whilst the other stuck only to the cons of the situation. There seems to be some little need for information on the C.N.R. which will give the reader the actual position of the road and not present the story only from one angle. This then, is the apology of the writer who hopes to cover his subject from an unbiased financial news-reporting angle, rather than to enter in a long discussion of the merits of private ownership as opposed to government ownership.

Like Ordinary Corporations

There is no reason why the financial position of the C.N.R. cannot be reviewed in exactly the same way as the financial position of any industrial organization.

The Canadian National Railways since its inception has come in for all kinds of criticism. The road has been criticised for its radio and Thornton has been criticised for his golf links. But the chief basis of criticism has been its financial position and, therefore, in these articles the attempt will be made to explain fully the financial position of the C.N.R. and take little or no consideration of minor criticisms which, in many instances, are picayune.

If the train service between Raindrop, Alberta, and Raindrop Junction be somewhat curtailed, the inhabitants of both these thriving centres are immediately up in arms against the management of the C.N.R. Criticism of the company, which arises in quarters such as this, should naturally be discounted.

All the Radio Talk

There is other criticism of a minor character also, such as the criticism of the management for its radio policy.

The radio policies of the C.N.R. management may be good, or they may be bad. The only other large Canadian railroad does not use the radio—but on the other hand, many leading United States industrial corporations use radio for the same purpose as the Canadian National and, so they say, obtain satisfactory results. Incidentally, one of the chief purposes of the radio policy is to advertise Canada and to bring tourist traffic, not only from domestic centres, but also from the United States.

In any event abuse of the road for its radio policy is in the last analysis, only of a minor character and should not be regarded as of major importance. It would seem to many unbiased observers that policies such as these and technical policies such as the physical characteristics of the railway's rolling stock or equipment should be left entirely in the hands of the management.

Like Every Other Road

The executive of the road—like every other road—has made and probably will continue to make mistakes. But the executives are all railroad men of many years standing and even presupposing that the Canadian National Railways were acquired by private interests, there is reason to presume that the new management of the road would certainly retain the comparatively few executives upon whose shoulders rests the active direction of the C.N.R.

In the last analysis then, the real criticism of the road may well be boiled down to criticism from the financial angle. In succeeding articles, the financial position of the road and the many factors leading up to its present situation will be completely reviewed, so that the shareholders—the voters of the Dominion of Canada—can obtain an accurate, unbiased picture of the real financial situation.

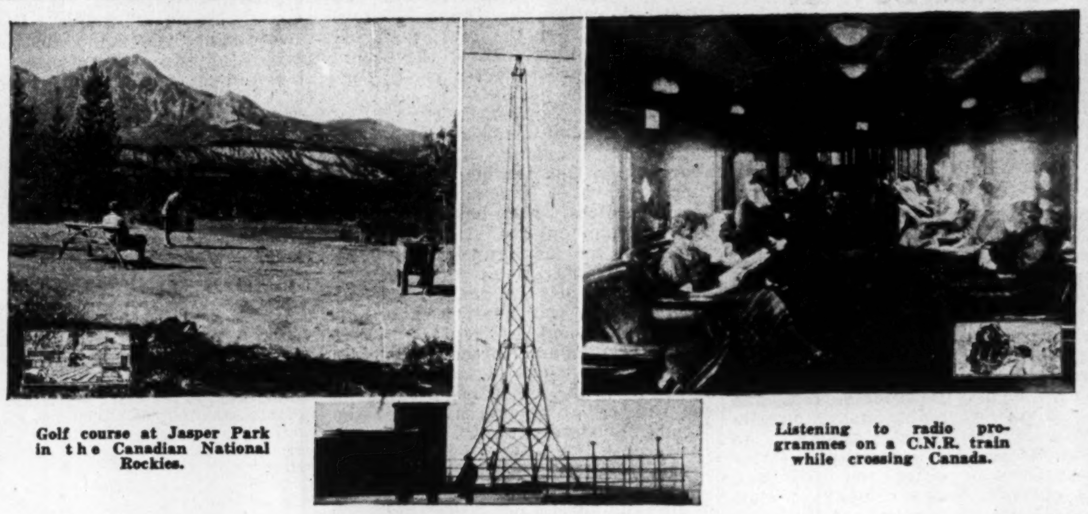
Some criticism has been heard of the C.N.R., especially directed at the Board of Directors. It has been said that the board should include more of those who have made an outstanding success in the business or industrial field However, it is not to be forgotten that included on the present board there are some outstanding men and, furthermore, it must not be forgotten that due to the distaste of public ownership to business men, it is hard to obtain outstanding Canadian business men to direct the management.

If the C.N.R. were turning back to the government handsome profits annually, much of the minor criticism of the road and its management would die a natural and easy death.

The question then to be considered include a visualization of the financial position of the road which may enable the reader to form his own conclusions regarding whether the troubles of the C.N.R. are due to its management or due to other factors.

The situation which led up and which necessitated the acquisition of the various roads will be reviewed next week.

Golf and Radio Win Customers for National Lines



Golf course at Jasper Park in the Canadian National Rockies.

Broadcasting station of C.N.R. at Ottawa.

Listening to radio programmes on a C.N.R. train while crossing Canada.

Criticism is sometimes heard of expenditures for golf courses and radio service on the Canadian National Railways. But the C.N.R. management considers them wonderfully effective advertising.

Canada Biscuit Busier at Its Moncton Plant

Indications pointing to an improvement in business conditions in New Brunswick are displayed by the fact that the J. A. Marven plant of the Canada Biscuit Co., in Moncton, is operating both day and night in order to keep up with the orders which are being received. The territory supplied by the Marven factory includes the Maritime Provinces, Newfoundland and the West Indies, while an appreciable proportion of their output also is sent to the upper provinces and some also to the west.

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Canadian Forest Products to Spend Millions on Expansion

VANCOUVER—Arrangements are underway with a view to enlarging the Canadian Forest Products, Ltd., pulp plant at Beaver Cove, Vancouver Island. At the annual meeting announcement was made that engineers had been engaged to make a survey of the water power situation at Nimpkish River and that development work would be undertaken shortly at Beaver Cove.

It is proposed to expend from $10,000,000 to $15,000,000 in the development of a huge pulp and paper mill. The extent of the development, it is understood, is dependent on the amount of power available in Nimpkish River. The present plant has a capacity of fifty tons a day.

The following Vancouver men were elected directors at the annual meeting: George C. Pratt, C. S. Battle and Wendell B. Farris, K.C. Mr. Pratt is also secretary of the company.

Other officers of Canadian Forest Products Ltd. are: President, Cyrus McCormick, Jr., Chicago; vice-presidents, George R. Ranney and William M. Reay, Chicago; treasurer, Arnold Keller, Chicago; assistant secretary-treasurer, Wm. R. Odell Jr., Chicago; directors, Wm. H. White, Boyne City, Mich.; R. G. Brooks and Wm. S. Elliott, Chicago.

Mr. Ranney and Mr. Elliott, who is general counsel of the International Harvester Company, which owns the control of Canadian Forest Products Ltd., spent last week in Vancouver and Victoria in connection with affairs of the Canadian company.

Ottawa Cabinet's Decision Favors Bell Telephone

From Our Own Correspondent.

MONTREAL.—The appeal against the recent increase in rates awarded to the Bell Telephone Company by the Railway Board has definitely been turned down by the Cabinet, but the committee of the Privy Council has ordered the Board of Railway Commissioners to keep close watch on the operations of the company, so that if the rates fixed are not justified, they may be lowered.

The appeal was made by the province of Ontario, the cities of Toronto, Hamilton, Ottawa and Brantford, and the Union of Canadian Municipalities.

The result of the appeal is one which is eminently satisfactory to the shareholders, for it indicates that it is not the government's intention to interfere with rulings of the Railway Board which have only been handed down after an exhaustive study of the financial, physical and earning power position of the Bell Telephone Company.

National Drug Earned £23,000 in Year to Jan. 31, 1927

National Drug and Chemical of Canada has a capital of £1,084,181 in 439,- shares, 13,030 7 per cent. preference $100 243 6½ per cent. first preference £1 shares, and 18,357 ordinary $100 shares. The first preference shares are held in Great Britain. The report for the year to Jan. 31, 1927, shows a pofit of £23,030, as compared with £9,270 for 1925, and a loss of £6,858 for 1924. The directors allocate £7,548 against £4,295 to depreciation, and £2,968 against £2,217 to insurance reserve, leaving £17,257 to carry forward against £4,742 brought in. No dividends are paid. Surplus assets at Jan. 31 over liabilities amounted to £768,692, equivalent to £1 15s. for each outstanding first preference share. General trade conditions were better, but the company was unable to benefit fully because of the price cutting in this trade. The anti-cutting association formed in March, 1925, began to operate on Aug. 28 last, with a limited number of articles. The status of the organization is being examined by a government commissioner, and the inquiry has been going on for four months. Goodwill stands at £377,199.

Ontario Steel Products Finds Business Better

From Our Own Correspondent.

MONTREAL.—The recent rapid rise in the shares of the Ontario Steel Products Company seems to be due to the fact that the stock is very closely held and that the company has been favored by the generally better business in the iron and steel industry. The company has also developed new lines which it sells to the automobile industry. There has been some talk of changes in the capital structure of Ontario Steel, but it is thought that these rumors are premature.

Another 50 cents per ton for beets delivered during 1926 is announced by T. George Wood, manager of the Canadian Sugar Factories at Raymond, Alta. This means a distribution of about $20,000 in the beet-growing area.

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Making Your Will

A Series of Discussions on Estate Building, Wills, Succession Duties, Etc.

Ninth Article: CHOOSING THE EXECUTOR.

By RALPH C. GEDDES.

The privilege of making a will affords three rights to the testator. The first is the right to distribute his estate as he wishes, subject only to whatever restrictions there may be imposed by law in favor of his wife by way of dower or by the enactments of those provinces which have no Dower Act. The second is the right to name his executor, and the third is the right to give directions to his executor for the handling of the estate while it is under his care.

The last named of these is probably the least important, since, in default of directions being given with regard to the assets, the law defines what the duties of an executor are in dealing with them. They must be sold as soon as reasonably possible after the death of the testator, and, if they are not, the executor is held personally liable for any loss that may have occurred by reason of any undue delay. Where the executor is also the sole beneficiary, any loss that may happen is something that concerns no other person, but when others have an interest in the estate, this personal liability is a matter of considerable moment. No executor who has the proper realization of his responsibility is going to incur, or should be expected to incur, personal liability for losses when he can protect himself from such a danger by keeping within the act. In all other respects, if the executor acts as a reasonable, prudent man would carry on his affairs, in good faith and without negligence, he is free from liability, provided distribution is made in the manner directed by the will to the persons entitled to receive the estate.

Special Powers Must Be Indicated

The law does only what most laws are able to do, makes a general rule for general application. If the testator wishes to make the handling of his assets out of the general rule, he must do so in his will by giving his executor power to deal with them as he sees fit or according to any plan which the testator may lay down to be followed if circumstances permit. In doing so, he can, either expressly or by inference, free the executor from any liability for loss that may occur in spite of the care and judgment exercised by him. Nevertheless, the executor still is not free from liability for any loss that may happen owing to his bad faith or negligence. He is only given freedom to conduct the affairs of the estate as nearly as possible in the same manner as the testator would have done if he had continued to live and had been desirous of conserving thenceforth what assets he has for the benefit of his dependents.

Where immediate distribution is directed, the executor's duty is to realize as much cash from the assets as may be necessary and then to distribute the estate. To realize these assets to the best advantage, will require business ability in finding the best market and in negotiating the sale. If the balance of the estate is to pass without conversion, those who are going to receive it stand also in need of business experience as a protection against loss and worry. Should there be any doubt about the aptitude of the beneficiary for business, his or her share should be placed in trust as a measure of protection; and if this is done there will be a delayed distribution of at least part of the estate. The assets which are in the hands of the executor will be held by him as trustee for the beneficiary, either in the form in which they were at the time of the testator's death, or, if converted into cash, in such investments as the trustee may choose.

In such a case, every qualification that a good executor ought to possess is required in a much greater degree for a trustee. The opportunities for defalcation are increased, since the assets are held for a much longer period of time and the accounting is more involved. Therefore, even that prime essential, integrity, which even the most careless man looks for in his executor, becomes a very much more important consideration.

But, so far as the beneficiaries are concerned, a careless, a reckless, a stupid trustee, or one lacking proper business training or ability, can be almost as great a danger to the trustee fund as a dishonest one. Even so, the character of the trustee is not of vital interest to the beneficiaries if he is financially responsible for his shortcomings, since he can be held strictly to account. The tragedy so often is that an accounting is so frequently not thought worth while, either because the trustee is found to have no assets or, being a friend or a relative, is considered to have acted to the best of his ability.

Detriment to Estate

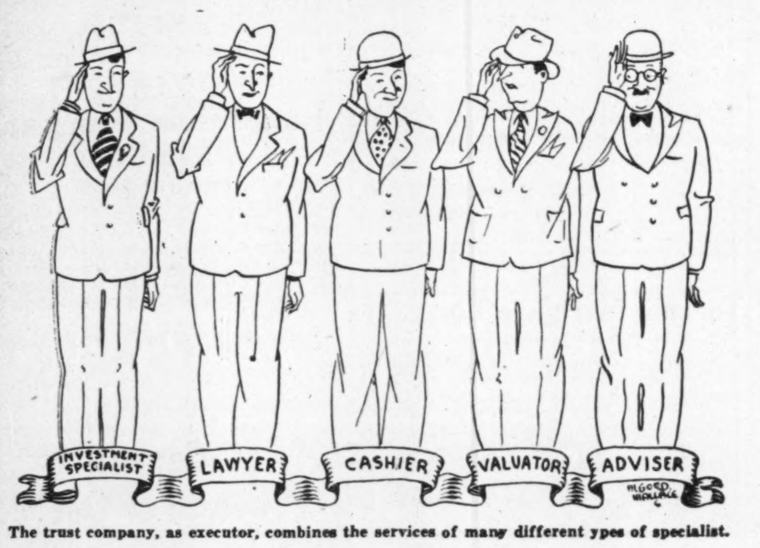
On the other hand, actual detriment can happen to the estate for which the beneficiary has no remedy, as in the case where the executor or trustee does something for which he cannot be held accountable. He cannot be blamed if he dies, although this may interrupt the administration of the estate, and cause confusion and loss, if his death occurs at an inopportune time. He cannot be held liable if, by reason of pressure of his own affairs, he invests the trust moneys in those securities which take the least attention, but which, though safe, will return the smallest yield. In short, he is free from liability so long as he acts reasonably and prudently; but the executor who has both experience and ability to guide him in the exercise of these two qualities, as well as time to give proper attention to the estate, will invariably make the most out of it for the beneficiaries.

Consequently, it will be seen that an executor, especially when he is also a trustee, must be absolutely honest if none of the estate is to be diverted from its proper use. He must be careful and have the ability and the facilities to keep proper accounts, so that the condition of any asset can be seen at a glance and to enable proper audits to be made. He must not be reckless, for the funds in which he is dealing are not his own. He must be impartial in order that all the beneficiaries shall be treated as the testator intended. He must be financially responsible for any dereliction from his duty, in order that any loss resulting therefrom shall not fall on the beneficiaries. He must have knowledge and experience in business in order that assets may be disposed of and cared for to the best advantage, and funds invested safely in securities that will return the highest possible yield.

Undoubtedly there are individuals who would measure up to this rather high standard if they were immortal and were impervious to all ailments of the mind and body. Excepting trust companies, there is no executor who will so nearly meet these requirements as a successful business man with a sound knowledge of investments. But such men as these, do not usually accept such appointments willingly, and no one is justified in naming an executor without his consent.

Trust Company Is Best Executor

Trust companies, however, make a business of acting in such a capacity. In fact, it is their primary function and the one which particularly they have been constituted to perform and for which they are being continually developed to meet the rapidly growing demands upon them. They have all of the qualifications that a personal executor may have and also those which he must lack. It is never necessary to ask them to act and this removes a very active cause for the postponement of the making of a great many wills. Hence, having appointed a trust company, the testator can rest assured that in the adminisration of his estate nothing will be left to chance. Special knowledge, training, experience and organization for this work are more necessary now than a few generations ago, owing to the more complicated industrial and commercial development in Canada during that time, and the prospect of much greater expansion along these lines in the future.



The trust company, as executor, combines the services of many different ypes of specialist.

Col. J. S. Dennis, chief commissioner of the Department of Colonization and Development, Canadian Pacific Railway, predicts a larger movement of immigration this year than last.

Imperial Oil to Erect New Offices on Coast

VANCOUVER—New quarters for the Imperial Oil Ltd., will be constructed in Vancouver shortly, following demolition of the present building, declared Charles O. Stillman of Toronto, president of the company, when in this city recently.

A three-storey building will be erected at a cost of $250,000. It will be 55,000 feet in area and have extensive offices and warehouse facilities. Additions and improvements to service stations are also planned.

The refinery at Ioco will be operated without any additions until increased oil consumption in British Columbia warrants further increases, declared Mr. Stillman.

Overproduction of crude oil, the most serious burden on the industry, is the present problem of the oil companies, stated Mr. Stillman.

"The situation in the petroleum industry has changed materially in the past few years," said the visitor. "While the industry has carried large reserves in preparation for an expected scarcity, the production of crude and improved refining processes has fully kept pace with the demand, despite the marvellous increases in consumption. These reserves, recently increased by new areas, have brought daily production of crude oil in the United States to the highest level ever reached.

"An overproduction of crude is a most serious burden upon the industry, as the cost of tankage, of insurance and losses by evaporation, in the aggregate constitute an enormous sum which must be absorbed in operating costs. There is no business in which competition is so keen as the petroleum industry, and no business in which so much new capital has been invested in recent years," he added.

Royal Mail Steam Packet Boats Now Cover World

Royal Mail Steam Packet Company, by its acquisition of the White Star Line, has brought the total tonnage of its own and associated fleets to 2,639,193 tons, it was stated at the recent annual meeting in London, by Lord Kylsant, chairman of the company. Operations of the company are now world wide.

Only slight reference was made by Lord Kylsant to the decision of the Dominion government to take over the West Indies service formerly given under contract by R.M.S.P. On this feature he concludes, "It is gratifying to record that our relations with the ministers and officials of the Canadian government continued throughout on the friendliest terms and action of the Canadian government in providing a service of passenger vessels will be watched by shipowners with interest."

The company remains in a strong financial position but due to the abnormal conditions of last year, with a general strike and a prolonged coal stoppage, was forced to draw upon reserve to meet dividends.

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By order of the Board.

WALTER F. WATKINS, Secretary.

Toronto, May 18th, 1927.

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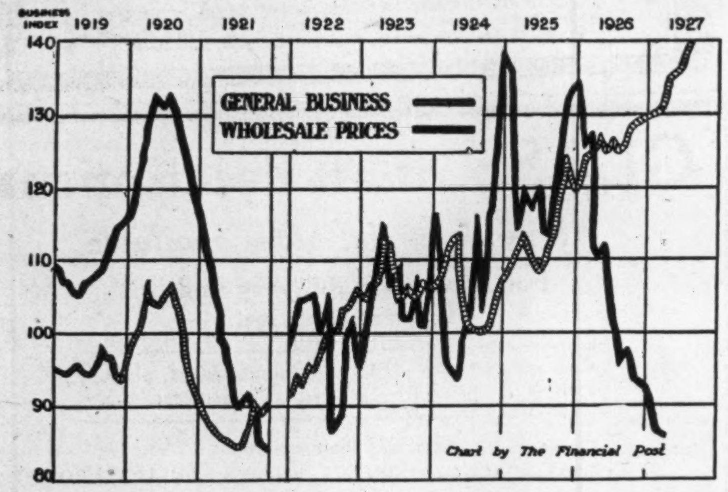
Business Expands Though Prices Drop

Old Theories Using Price Index as a Basis of Business Forecasting Have Undergone Some Revision

By SYDNEY B. SMITH, Ottawa.

A comparison of the index of general business with the official index of wholesale prices is especially appropriate at the present time, in view of the controversy as to the cause of the decline of prices in the last two years. Speaking of price conditions in the United States, the conclusion was reached in the May number of the Federal Reserve Bulletin that the decline of ten per cent. in the general price average during the last two years was not due to credit conditions, but to an increase in efficiency of production. The leading causes of this decline are assigned by the Harvard Economic Service of May 21, to the return of the gold standard by European countries and to the control of credit through the Federal Reserve Board.



Once Was Very Important

In discussing the trend of wholesale prices in Canada during the post-war period, as compared with the index of general business, one would expect a concurrent upward and downward movement. The barometer of general business available in pre-war times such as bank clearings, pig iron production, gross revenues of the railways and merchandise imports, were generally regarded as fluctuating more or less closely with the trend of the business cycle. The index of wholesale prices also occupied a prominent place in cycle theory, being regarded as one of the most trustworthy guides to the trend of general business conditions. The wholesale price index was selected with bank debits by the Harvard Economic Service as a base for the general business curve shown in the principal forecasting chart of the service. It was also taken as a standard through which was measured by the use of the correlation formula, the forecasting sequence of about 20 statistical factors regarded as sensitive to cyclical tendencies.

According to precedent, then, the indexes of wholesale prices and general business may be expected in normal times to join in a concurrent movement. When the two curves for the post-war period are plotted together, it is apparent that the close relation was maintained during the first three years, but since that time the trends for the most part have been divergent. Under the circumstances the period may be divided into two parts for closer study.

Period From 1919 to 1921

A typical cycle of inflation and deflation in prices and of expansion and contraction in general business occurred from 1919 to 1921. The correlation of the two indexes during the three years was .83, as compared with 1.00 representing perfect correlation.

The five year period from 1922 to the present time forms a decided contrast with the cyclical period immediately following the war. The index of general business touched its lowest point of 83 in July, 1921, and aside from two setbacks, has made steady advance, until 139.7 was reached in May of this year. Minor reaction was experienced in the latter half of 1923 and of 1924. On the other hand, post-war price deflation culminated for the time in September, 1922, when the index was 147.5. A high point of 165 was reached in January, 1925, and a second high point in the movement in January, 1926.

From 1922 to 1925 any correlation which may have been obtained between the two indexes was limited to short periods, but speaking generally for the four years the application of the usual formula confirms the non-existence of correlation.

It was during 1926 and the first seven months of the present year that the movements of the two indexes was the most diverse, apparently raising a question as to the universality of the so-called principles forming the base of economic forecasting.

Business Up, Prices Down

The general business index showed steady advance from 119.3 in January, 1926, to 139.7 in May last. The official index of wholesale prices, on the other hand, experienced a decline from 164 to 151.9 in the same period.

May the apparently inconsistent conditions of the last seventeen months be explained in the light of the economic laws of value? The laws of demand and supply as usually stated apply to static conditions—to a single market at a given point in time. Each law is an explanation of a schedule of quantities and prices. The law of demand states the quantity which buyers would choose to take, varies inversely with the price, while the law of supply signifies that the quantity which would be offered for sale generally varies directly with the price.

Why Prices Have Declined

It is evident from the index of general business that during the last nineteen months the supply curve of Canadian products was continually raised. The trend of demand roughly measured by taking the product of the indexes of general business and wholesale prices at the beginning and at the end of the period, was upward, but the advance was of more moderate proportions than in the case of supply. During a period in which demand and supply are both increasing, prices may increase, decrease or remain without important change, depending on the intensity of the two controlling influences.

In the present case, the increase in the supply was more marked than in the demand and prices showed a notable decline. It is under such conditions with supply and demand both increasing that the exchange of commodities tends to attain a maximum.

It is not intended to infer that currency factors at home or abroad have no influence on the price situation. The price structure is international in scope and important currency as well as production and demand developments in other countries are reflected in the trend of prices in Canada. The question has many angles which cannot even be commented upon in a short article, but regarded from the standpoint of the internal exchange of commodities alone, it appears that recent price developments may be interpreted according to the dynamic laws of value.

Varying Two Ways

Price tends to vary directly with the product of the currency by the velocity of the circulation and inversely with the supply of commodities and services. There is no conflict between the authorities quoted above; one emphasizes the currency factors, and the other causes associated with the field of production. The return to the gold standard and the restriction of credit tend to lower the price level, and the same object is attained through the expansion of agricultural and industrial production. Both currency and production factors were operating from 1921 to the present time to reduce the price level. It was not surprising under the circumstances that such a definite downward trend was apparent from January, 1926, to April last. Providing these conditions were to obtain in the future, a further recession would be anticipated.

Forecast That Was Not Fulfilled

In May, 1921, A. H. Gibson, an English financial writer, made the forecast that wholesale prices would be reduced to 10 per cent. above the pre-war level by 1927. As the economic field is subject to the principle of action and reaction, this forecast has not been fulfilled. The more efficient use of the gold supply by concentration in central reserves resulting in the greater use of bank credit, is the bullish factor from the currency side. Declining prices are also bound to react sooner or later on the volume of production, leading to a slowing up of operations through the reduction of profits.

Any forecaster of the course of wholesale prices must carefully weigh the influence of these factors in a world economy. Determined by the method of least squares the long term trend of prices in Canada during the post-war period was downward, but the evidence as to the future course of prices is too complex to permit of a definite reading.

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Address: "Accountant" — c/o J. J. Gibbons Limited - Toronto

COMBING MILLS ACTION THREAT TO STOCK VALUE

Suggested the Shareholders Might Hope, G. T. Clarkson to Help

A shareholder of Dominion Combing Mills, Ltd., has instituted an action, which, if proceeded with, will throw the company into bankruptcy. Shareholders of this company have been becoming restive for a year or more and matters with the company have been apparently going from bad to worse, although statements emanating from the management from time to time reflected a hope that the government momentarily was prepared to do something for the industry.

In some quarters, the belief is expressed that the shareholder's action at this time might advisedly be dropped. The new manager of the company is G. T. Clarkson of the auditing firm of Clarkson, Gordon & Dilworth. Mr. Clarkson was appointed by the directors at the instance of creditors of the company.

It is thought that if the shareholder's petition is proceeded with, bankruptcy will mean an immediate winding-up of the company with the result that the shareholders will get nothing. On the other hand, if Mr. Clarkson is left in charge it is possible that the company may be placed on a paying basis, the creditors paid off and something ultimately rescued for the shareholders. There is considerable confidence in Mr. Clarkson's ability to improve a bad situation.

Canada Dry is Now on $3 Dividend Basis

Canada Dry Ginger Ale, Inc., the company started in the United States by the McLaughlin interests, has declared a quarterly dividend of 75 cents, which places the stock on a $3 basis, against $2 annually paid formerly. The company's statement said:

"The dividend increase on the stock of this company over a period of the last two years reflects remarkable progress. At the March meeting this year, in addition to the regular quarterly dividend of 50 cents, an extra dividend of 25 cents was paid. At the meeting to-day the stock was put on a regular basis of $3 per annum."

President P. D. Saylor said that the business of the American company in the first five months of this year had shown an increase of more than 41 per cent. over the corresponding period of last year. The business of J. J. McLaughlin, Ltd., a wholly-owned subsidiary, showed an increase in this period of 190 per cent.

CARLING DIRECTORS

The board of directors of Carling Breweries Limited as announced last week, is as follows: Charles Burns, London, president; Harry Lowe, Walkerville, vice-president; Marco Leon, Montreal, secetary-treasurer; Hon. Manning Doherty, C. H. Easson, T. H. Roadhouse and Charles McTague, Windsor, diectors.

To Investors of Western Ontario

DIRECT private wires connecting our London, St. Thomas and Kitchener offices with the head office in Toronto and the Standard Stock Exchange. This together with board room facilities at each point, enables the investor of Western Ontario to get quotations as quickly as they are posted on the Standard Exchange board itself.

FOR those who wish to keep posted minewise, we publish "The Mining News," a fortnightly publication devoted to the latest developments at the important camps.

We would be pleased to mail you a copy regularly—no obligation of course.

Phone Metcalf 1958-1959

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Members Standard Stock Exchange
Chas. E. Durand: Manager
Royal Bank Chambers, London
TORONTO ST. THOMAS KITCHENER

Position Wanted

by Law Graduate. Willing to give up practicing for a position that offers advancement.
Box 66, FINANCIAL POST, Toronto.

Woods Manufacturing Company, Limited

Preferred Stock Dividend Notice

The regular quarterly Dividend of One and Three-Quarters (1¾%) per cent. on the PREFERRED STOCK of WOODS MANUFACTURING COMPANY, LIMITED, for the quarter ending June 30th, 1927, has been declared payable July 2nd, 1927, to Shareholders of record June 27th, 1927.

By Order of the Board,
JOHN T. F. KEENE,
Secretary-Treasurer.
Montreal, June 18th, 1927.

Muirhead's Cafeterias Limited

A dividend of twenty-five cents (25c.) per share, being at the rate of 7½% per annum, has been declared on the Preference shares to holders of record June 15th, payable July 1st, for the period ending June 30th.

By order of the Board.
H. M. MILLAR,
Secretary.

Commercial Finance Corporation, Limited

Dividend Notice

Preferred Dividend

Notice is hereby given that the regular 3½% dividend has been declared on the Preferred Stock of the Company for the half year ending the 30th day of June, 1927.

Common Dividend

Notice is also hereby given that a dividend of $2.00 per share has been declared on the Common Stock, no par value, of the Company for the half year ending the 30th day of June, 1927.

The above dividends are payable on and after June 30th, 1927, to shareholders of record June 20th, 1927.

By order of the Board.
CHAS. BAUCKHAM,
President.
Toronto, Ont., June 13, 1927.

THE BELL TELEPHONE COMPANY OF CANADA

Notice of Dividend

A dividend of two per cent. (2%) has been declared payable on the 15th July, 1927, to shareholders of record at the close of business on the 23rd June, 1927.

W. H. BLACK,
Secretary-Treasurer.
Montreal, 25th May, 1927.

Town of Wainwright

Special Debenture

At a drawing held on the 15th day of June, 1927, under the provisions of the Town of Wainwright, Special Debenture "Series A", the following Debentures are redeemable and payable at the Bank of Montreal, Wainwright, as interest ceases on the indicated Debentures on the 15th day of June, 1927, due date.

Wainwright, June 15th, 1927.
H. Y. PAWLING,
Secretary-Treasurer.
Nos. 1-5-9-14-23-26-27-29-48 and 99.

Young man with university education and two years cost accounting experience, desires to become connected with a progressive manufacturing or financial concern, preferably in sales department.
Box 62, The Financial Post, Toronto, Ont.

CANADA CEMENT COMPANY LIMITED

Ordinary Shareholders' DIVIDEND NO. 45

Notice is hereby given that a dividend of 1½% for the three months ending June 30th, 1927, being at the rate of 6% per annum on the paid-up Ordinary Stock of this Company, has been declared and that the same will be paid on the 16th day of July next to Ordinary Shareholders of record at the close of business June 30th, 1927.

H. L. DOBLE,
Secretary.
Montreal, June 16th, 1927.

DOMINION TEXTILE COMPANY LIMITED

NOTICE OF DIVIDEND

A Dividend of One Dollar and Twenty-Five Cents ($1.25) per share on the Common Stock of DOMINION TEXTILE COMPANY, Limited, has been declared for the quarter ending June 30th, 1927, payable 2nd July, to shareholders of record June 15th.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, May 30th, 1927.

DOMINION TEXTILE COMPANY LIMITED

Notice of Dividend

A Dividend of one and three-quarters per cent. (1¾%) on the Preferred Stock of Dominion Textile Company, Limited, has been declared for the quarter ending June 30th, 1927, payable July 15th, to shareholders of record 30th June.

By order of the Board.
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, May 30th, 1927.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a Dividend of Two and one-half per cent., being at the rate of Ten per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after 1st July, 1927, to Shareholders of record on the books of the Company at the close of business on the 15th instant.

By order of the Board.
W. GILLESPIE,
Manager.

The Trinidad Electric Company, Ltd.

Notice is hereby given that a dividend of 1¼% for the quarter ending June 30th, 1927, on the Capital Stock of the Company has been declared.

Warrants will be issued and mailed to the address of each Shareholder and are payable at the Royal Bank of Canada, Halifax, N.S., on and after the 11th of July, 1927.

The transfer books of the Company will be closed from the 1st to the 11th of July, 1927, both days inclusive.

By order of the Board.
F. B. OXLEY, Secretary.

ABITIBI POWER & PAPER COMPANY LIMITED

Dividend Notice

Notice is hereby given that a quarterly dividend of 1¾% has been declared on the Preferred Stock of the Abitibi Power & Paper Company Limited, payable the 4th day of July, 1927, to shareholders of record at the close of business the 20th day of June, 1927.

By order of the Board,
W. H. SMITH,
Secretary-Treasurer.

THE B. GREENING WIRE COMPANY, LIMITED

Preference Dividend No. 16

Notice is hereby given that a quarterly dividend of one and three-quarters per cent. on the Preferred Shares of the Company has been declared payable July 1, 1927, to shareholders of record June 15, 1927.

F. J. MAW,
Secretary.
Hamilton, Ont., June 16, 1927.

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Kennedy's specialize in castings supplied in all shapes, sizes and quantities. Made to your own patterns. Prompt delivery. Fair prices.

Kennedy Castings

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OWEN SOUND, ONTARIO.
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THE DOMINION BANK

Notice is hereby given that a Dividend of three per cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 30th June, 1927, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Monday, the 4th day of July, 1927, to shareholders of record of the 20th June, 1927.

By order of the Board.
C. A. BOGERT,
General Manager.
Toronto, 26th May, 1927.

Western Grocers Limited

Notice of Dividend

A dividend of one and three-quarters per cent. (1¾%) on the New Preference Stock of Western Grocers Limited, has been declared for the quarter ending June 30th, 1927, payable July 15th, 1927, to shareholders of record June 30th, 1927.

By order of the Board.
W. P. RILEY,
President.
Winnipeg, June 15th, 1927.

Canadian Locomotive Company, Limited

Dividend No. 62

Notice is hereby given that quarterly dividend of one and three-quarters per cent. on the Preferred Stock was declared payable July 1, 1927, to shareholders of record June 20, 1927.

By Order of the Board.
G. W. DALY,
Secretary.
Kingston, Ont., June 6, 1927.

Laurentide Company Limited

Dividend Notice

A Dividend of one and one-half per cent. (1½%) has this day been declared upon the Capital Stock of this Company for the quarter ending June 30th, 1927, payable July 2nd, 1927, to shareholders of record at the close of business June 17th, 1927.

By order of the Board of Directors.
W. T. ROBINSON,
Secretary.
Montreal, Que., June 7th, 1927.

Canada Province of Quebec District of Three Rivers

PUBLIC NOTICE is hereby given that THE SCHOOL COMMISSIONERS FOR THE CITY OF THREE RIVERS will receive until MONDAY, the FOURTH day of JULY, 1927, at four o'clock P.M., (SUMMER TIME), at the office of the undersigned, written, sealed tenders, endorsed "TENDER FOR DEBENTURES," for the purchase of ONE HUNDRED AND FORTY-EIGHT THOUSAND AND FIVE HUNDRED DOLLARS ($148,500.00), of bonds of The School Commissioners for the City of Three Rivers, dated November 1st, 1926, and maturing by series from November, 1928, to November, 1956, the whole bearing interest at the rate of five per centum (5%) per annum, payable semi-annually the 1st May and November in each year.

The Principal and interest payable at the office of the BANK OF MONTREAL in the Cities of Quebec, Montreal or Three Rivers, at the holder's option. These bonds shall be issued in denominations of $100.00 or its multiples at the option of the purchaser. Every tender must be accompanied by a certified cheque equal to one per cent. of the par value of this issue. The cheque deposited by the tenderers whose offers are not accepted, shall be handed back to them without delay, that of the tenderer whose offer is accepted shall be handed back to him after the execution of his contract, without interest.

Every tender shall specify whether the price offered does or does not include the interest accrued on the bonds at the time of their delivery. The School Commissioners for the City of Three Rivers does not bind themselves to accept any of the tenders. The tenders will be considered by the School Commissioners for the City of Three Rivers at a meeting which will be held Monday, the 4th of July, 1927, at 8 o'clock P.M., (Summer Time), or at adjournment of said sitting.

Particulars of this issue and the table of maturity of serial bonds may be secured on application to the Undersigned.

ARTHUR NOBERT,
The Treasurer for the School Commissioners for the City of Three Rivers.
Three Rivers, Que.,
The 14th of June, 1927.

DIVIDEND NOTICE
Imperial Royalties Company

Will pay monthly dividend of 1½% to Preferred Shareholders on June 30th. This is Dividend No. 81, and makes a total of 142% paid to shareholders.

By J. E. Horn
K. H. Kompfe & Co.
Limited
Toronto and London, Ontario

Featuring London, Ont., in Finance

THE FINANCIAL POST

Special Section 17-28 PUBLICATION OFFICE: TORONTO, JUNE 24, 1927 Special Section 17-28

London Grows as Western Ontario's Financial Centre

Record of London Life Over 40 Years is One of Stability, Growth

Success Largely is Due to Acumen of John G. Richter and, in Latter Years, to Vim and Ability of Edward E. Reid

When the London Life Insurance Co. moved into a new head-office building on Wellington Street, in 1906, John George Richter, then general manager, and now vice-president, is reported to have predicted that the quarters would serve the company for 50 years. But Mr. Richter was conservative in his estimate then, as he is in all things. The company enlarged the building in 1911, and has been overflowing into surrounding office quarters since 1916. At present a new office building is in process of construction. Not even Mr. Richter is predicting how long it will be adequate. The architect has made provision for doubling its size without spoiling its appearance.

The company's constant need for space in which to handle its business is evidence of the growth of London Life in the insurance field. When J. G. Richter became general manager at the age of 28 in 1883, the company had been in existence seven years and had insurance in force to the amount of $697,253. At the time of the last annual report, the insurance in force amounted to $251,256,594. At the time of Mr. Richter's assumption of management, the total income of the company was $25,000 annually. In 1926 the company's income was $10,413,509. From 1906 to 1926 total assets have grown from $2,100,394 to $37,248,492.

Not All Plain Sailing

The seven years of the life of the company before Mr. Richter was asked by the directors to assume the management were not successful years. The capital was impaired, and the young general manager suggested at the beginning that a special assessment be levied against shareholders to cover the deficiency in assets, that a Dominion charter be obtained in place of the Ontario charter, and that the accident branch of the company be closed. The shareholders adopted all three recommendations.

It was not all plain sailing for Mr. Richter after that. As a young man in Waterloo County he had been interested in the theory of life-insurance—a subject into which he had been drawn by his absorption in mathematics — and some newspaper correspondence had convinced Joseph Jeffery, the first president, that here was a young man who was possessed of sound opinions as to how an insurance company should be operated. The opinion thus formed has been amply justified by the experience of the following 40-odd years.

The primary problem of Mr. Richter was to place the company's investments on a sound footing. This was soon accomplished. Then came the problem of increasing the company's business in order that there be orderly expansion. This was by no means so simple a problem, for the rule had been set down that the growth pay for itself. The company was fortunate in being able to build a weekly premium industrial insurance department out of earnings without the investment of further capital, but for a number of years the ordinary life business of the company was virtually at a standstill.

It will be recalled that in the closing years of the last century the fraternal insurance companies were in their heyday. Almost without exception they wrote life insurance at rates below cost and, in addition, were able to offer their policyholders social features which the so-called old-line companies were unable to offer. The old-line companies suffered keenly.

Given Clean Bill

It was not until the opening years of the present century that members of the fraternal-insurance companies began to discover that the rates they had been paying for life insurance were not adequate, and that, as the older members of the orders began to die off, there would be trouble with the finances. The government, a few years later, stepped in and directed that the fraternal societies establish their rates on an actuarial basis. Since then the old-line companies have had an easier time in seeking new business, although the competition between companies never has been so keen as at present.

Investigation into life-insurance affairs in New York State by the diligent Charles E. Hughes, and the consequent revelations, led to a similar investigation in Canada. But the royal commission which inquired into the affairs of the London Life in 1906—in common with all the other companies—found that London Life was soundly conducted, and that, under Mr. Richter's direction, the company never had resorted to the dubious methods of financing and the questionable methods of seeking business which were not uncommon among Canadian insurance companies in general. In short, London Life was given a clean bill of health.

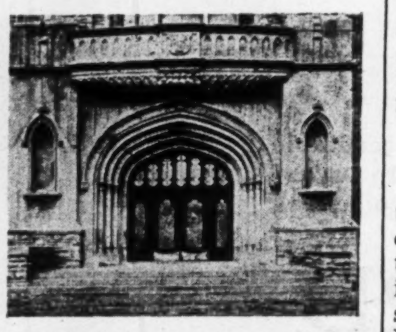
Mr. Reid Adds Vim

It is the boast of London Life that it exceeds the government requirements as to legal reserves. At the same time, owing to the astuteness of its investments under the supervision of Mr. Richter, it has been able to exceed its promises issued to policy-holders who participate in the profits. There is no sounder insurance company in Canada than London Life.

About the time that Mr. Richter's attention became more and more directed to the manifold investments of the company, Edward E. Reid, the company's actuary, began to give evidence of those energetic qualities which since have distinguished him as a success-

(Continued on page 21)

Architectural Triumph



Detail of the doorway of the main building of the University of Western Ontario at London.

London Offers Western Ontario Complete Financial Service

The citizen of Western Ontario need not go farther than London for any kind of financial service.

When he wishes advice as to his investments, he finds experienced, capable managers and others in the offices of the investment bankers.

When he wishes to borrow money on his farm, there are no better mortgage and loan companies than those with headquarters in London.

When he wishes to buy life insurance—another form of investment—there are two companies with head offices in London which are sound in every respect.

When he desires any of the manifold services offered by the modern trust company, these are in London.

When he wishes to buy or sell a few hundred shares of mining stocks or industrial stocks, he will find several offices where quotations are up to the minute.

When he wishes to finance a new company, there are the facilities within the city for such a service.

Aggressiveness Leavened With Conservatism is Reason for Advancement

Metropolitan Aspect is Assured With Remarkable Total of Securities Sales in District Every Month

London long has been the financial center of Western Ontario. But latterly its importance has been enhanced materially by the energy and ability of a number of its leading citizens, the prosperity of the district and of Canada and the thrift of its people. At present it is the home office of some of the most rapidly growing mortgage and loan companies, life-insurance companies, trust companies, investment banking houses and stock-brokerage firms.

Perhaps citizens of London and environs themselves do not accept the financial importance of the city as a matter of course. And the outsider, probably, is likely to marvel at the fact of a city, ranking after several others in population and industrial activity, assuming such a leading place in finance.

From Which Investment Radiates

What is the reason? One has to go back more than one generation to discover why London today is a center from which investment radiates north and south and from coast to coast. Before Confederation there were men in the thriving town who had established reputations for integrity, ability and vision in financial matters. They drew from Britain, largely from Scotland, funds for lending on mortgages on the rich and improving farming lands within a radius of 50 miles of London. The loans were repaid promptly; losses were few. Almost without exception, the loan companies prospered.

From these successes, other financial institutions evolved. Trust companies were the next development and their history has been one of growth built on the efforts of keen-minded men of integrity.

Two Strong Insurance Companies

London also is the home office of two life-insurance companies. One is among the strongest in Canada, with a great gross business and an investment history of unexcelled excellence. The other likewise is prosperous and growing and in the last two years in which it has been under the control of its present management has been making rapid strides both in writing new business and in establishing an impregnable investment policy. At this time, it is safe to say that the company has become wholly sound.

The farming community which early borrowed money from the individuals and loan companies who got their investment funds largely from

(Continued on page 28)

Hotel London is City's Latest Proud Achievement

London, Ont., assumes more metropolitan aspect with the acquisition of a hotel that is modern in every respect. The project has been financed, in large part, locally.

Old Huron and Erie Has Expanded to Importance of National Institution

London Company Loans on Mortgage From Coast to Coast; Has Offices in Dozen Places; Debentures Are Among Safest Investments

The Huron & Erie Mortgage Co. is more than a London and more than a western Ontario institution—it is a national institution. Back in 1864—before Confederation — the Huron & Erie went into the business of loaning money on mortgages to farmers in Middlesex, Kent, Essex, and Oxford counties and contiguous territory. Today, the Huron & Erie is the third largest institution of its kind in the Dominion, with 70,000 depositors, debenture investors and borrowers. The company operates four offices in London and branches in Windsor, Chatham, St. Thomas, Hamilton, Toronto, Winnipeg, Regina, Edmonton and Victoria.

Only two loan companies are larger than the Huron & Erie in point of assets (the Canada Permanent and the Credit Foncier) and none excels the Huron & Erie in point of success of management over a term of years.

Busy as Ten-Cent Store

"It is as busy as a ten-cent store," remarked a visitor, the first time he entered the head offices of the Huron & Erie and the offices of the Canada Trust Co. (controlled and managed by the Huron & Erie). It was the rush period of the day and there were scores of people in the building on business.

The Huron & Erie has been rapidly expanding in recent years on its own accord and by virtue of the fact that it has acquired a number of smaller loan companies in Ontario. The latest purchase was the Southern Loan Co. of St. Thomas. A year ago, the Hamilton Provident was acquired. It is understood that negotiations are now pending for another prosperous loan company in a thriving Western Ontario community.

A notable thing about the annual reports of the Huron & Erie is that the so-called investment in real estate is usually nil, or thereabouts. The company is not, of course, so fortunate as never to loan money on property to an individual who fails to pay. But the company, while perhaps more than ordinarily successful in this regard, keeps its investment in foreclosed property to a minimum by selling it outright at the earliest opportunity, no matter what the book loss.

Helps Development

The old Huron & Erie has a genuine claim to high regard of the people of western Ontario for the facilities it has made available for longer than the Dominion has existed. The city and surrounding territory would have been much slower in development in the early days if the company had not available funds for investment in the district. It is true that the lenders in the British Isles were glad to lend at the rates then obtaining—a high rate compared to the then prevailing rate in Britain—but it might easily have happened, if the founders and early managers of the Huron & Erie had not been so able and energetic, that these funds would not have been available for the upbuilding of the London district.

In all the years that the Huron & Erie has been loaning money and receiving deposits, both borrowers and depositors have come to regard the company highly. The result is the reputation for soundness and fair-dealing which will go a long way toward helping the company to offset the difficulties of operation when interest rates are declining. Holders of debentures will be tempted to withdraw their cash when the time comes around for renewal for the reason that a higher yield can be obtained elsewhere, while the company itself is faced with the problem of securing proper employment for its cash in the face of falling interest rates on mortgages. The prevailing rate is 6½ per cent. but some companies recently have cut this rate to 6 per cent.

Adds $500,000 to Surplus

Huron & Erie took a notable step this year in adding $500,000 to its reserve fund in one year. Of this amount $123,920 came out of surplus earnings of 1926. The balance was derived from a revaluation of the company's holdings of stock in the Canada Trust Co. Reserve now stands at $2,350,000, which adds to capital of $5,000,000 and undivided surplus to bring total security to clients to $7,430,000. The following resume of the company's position is taken from The Financial Post of January 28th last, immediately after the publication of the company's annual report:

> In explanation of the revaluation of Canada Trust stock, it is pointed out that this follows the decision made by the directors last year to carry the corporation's stock at a figure commensurate with its real value. Since 1901, when the first purchase was made of this stock, the corporation has carried the asset from year to year at actual cost without regard to its real value. Now that the Canada Trust Company has a reserve fund equal to 75 per cent. if its paid-up capital and pays a 10 per cent. dividend, the directors have decided to take the investment into the accounts of The Huron & Erie at $160 a share. This is the valuation placed thereon by the Department of Insurance at Ottawa.

Earnings for 1926 were $574,014,

(Continued on page 24)

A Complete Financial Service

We execute orders in securities on the
- Montreal Stock Exchange
- London Stock Exchange
- Toronto Stock Exchange
- New York Stock Exchange
- Montreal Curb Market

for cash or on margin

* * * *

We execute orders in commodities on the
- New York Cotton Exchange
- Chicago Board of Trade
- Winnipeg Grain Exchange
- New York Produce Exchange

for cash or on margin

* * * *

We act as dealers in Government, Municipal, Public Utility and Industrial Securities buying and selling on our own account

* * * *

We maintain at each office Trading Departments *Dealing in* Unlisted and Inactive Securities

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We lend money on STOCKS and BONDS acceptable to us as collateral

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TRUST CO., LONDON & WESTERN GROWS UNDER J. S. MOORE

Substantial Progress Over Long Term of Years is Shown by Company

One of the outstanding financial institutions of London is the London & Western Trusts Co. Under the supervision of John S. Moore, manager, and a strong board of directors headed by Arthur T. Little, this company has made rapid and substantial progress.

In 1900 the capital of the company was $100,000; there was no reserve, and the assets under administration totaled $500,000. In 1925 the capital was $500,000, the reserve was $350,000, and the assets under administration totaled $16,403,000. In 1926 the capital was $500,000, the reserve was $375,000, and the assets under administration had been increased to $19,129,216. The company is paying 8 per cent. dividends on its stock.

Earliest in London

The company was incorporated in 1896 and was the pioneer trust company in London, preceding by one year its earliest competitor. The idea was conceived by the late Sir George Gibbons and the late M. D. Fraser, the thought being that London should afford to Western Ontario the services of a trust company, which up to that time had only been available in Toronto. Very little effort was required to secure subscriptions for $500,000 of capital stock, twenty per cent. of which was paid in immediately and the balance later paid in full. Sir George Gibbons (not then knighted) became its president, John Labatt and J. L. Englehart its vice-presidents, and T. G. Meredith, John McClary, T. H. Smallman, J. W. Little, R. W. Puddicombe, Geo. B. Harris, Daniel Regan, John Idington, John McLean, Robert Fox, Jas. T. Garrow, Geo. Moncrieff, Chas. Mackenzie, Ward H. Bowlby, J. H. Nelles and M. D. Fraser, the first directors, the latter also being the solicitor of the company.

The original board of directors was made up largely of the directors of Western Ontario loan companies. The trust company as constituted today under the laws of Ontario is empowered to accept deposits. The majority of them do so but the London & Western has adhered throughout to its policy of doing only trust company business, that is acting as executor, administrator, guardian, trustee, financial agent, etc.; it has never received nor sought deposits.

The company commenced business in an upstairs office adjoining that of its solicitor, paying the rental of $100 per annum; and it was in that office that the business of the company was being conducted when the present manager, J. S. Moore, took office in the latter part of 1902. The following year a move was made to rent premises near Dundas and Richmond streets, but the company very quickly outgrew the limitations of its new quarters and in 1908 purchased and moved to 382 Richmond Street (premises now occupied by the Standard Bank of Canada). In 1921 the present handsome office of the company was built. This office contains all the modern equipment of a trust company, including three vaults, one of which is about double the size of the company's original office. It has the most modern safety deposit equipment available and a very handsome and commodious room for meeting the public.

The staff at present consists of the manager, secretary, estates manager, two trusts officers, accountant, inspector, field man, and the usual complement of bookkeepers, stenographers, etc.

Distribution of Earnings

	1924 $	1925 $	1926 $
Earnings	80,437	84,020	86,042
Taxes	14,734	14,643	14,309
Net profits	65,703	69,377	71,653
Distribution—			
Dividends	35,000	35,000	40,000
Reserves	25,000	25,000	25,000
Dep. reserve	5,420	5,775	5,284
	65,420	65,775	70,284
Balance	283	3,602	1,369
Prev. bal.	13,261	13,543	17,145
	13,544	17,145	18,514

Rate of Earnings

Year	Paid-up Capital	*Profits	Earned p.c.	Div.
1913	$400,000	$37,368	9.5	6
1914	484,195	45,676	9.7	6½
1915	500,000	53,486	10.8	7
1916	500,000	51,651	10.3	7
1917	500,000	50,551	10.1	7
1918	500,000	53,113	10.6	7
1919	500,000	61,135	12.2	7
1920	500,000	64,069	12.8	7
1921	500,000	27,373	5.4	7
1922	500,000	102,161	20.4	7
1923	500,000	67,586	13.5	7
1924	500,000	65,703	13.1	7
1925	500,000	69,377	13.8	7
1926	500,000	71,653	14.3	8

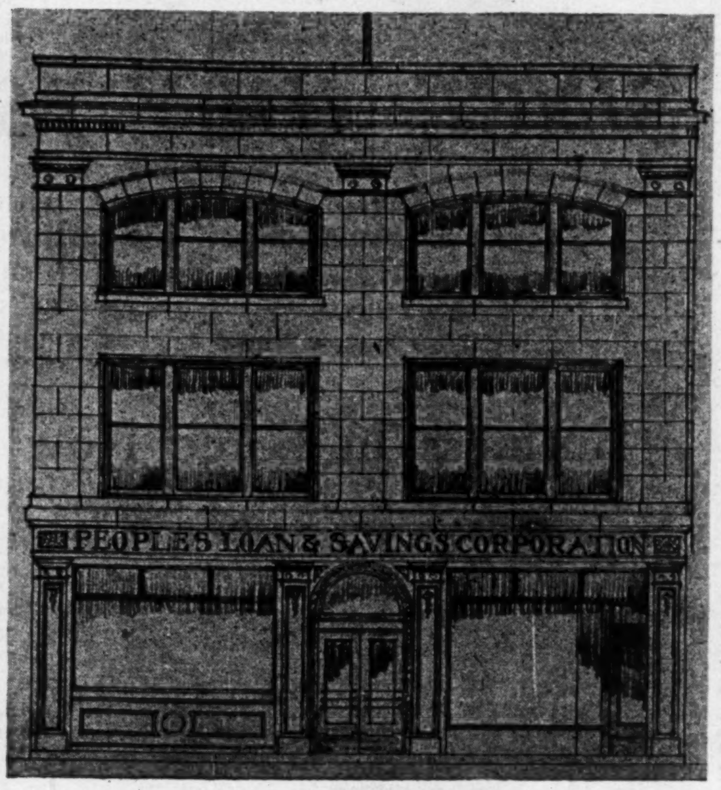
*Taxes deducted.

Merchandise Distributing Centre for All Canada

The fact that London is one of Canada's largest wholesale centres is of value to manufacturing establishments and others interested in the development of the city. Being centrally located in Western Ontario, it has commanding advantages to service this populated area particularly well, in addition to the whole of Canada generally. Its location is only part of value itself, but a great asset to the thousands of merchants who economically purchase goods from this central point of distribution.

The result has been a strong and rapid growth of the wholesale business, until now London ranks with the largest Canadian cities for the quality, size and number of its wholesale establishments.

Facade of People's Loan Building



Drawing illustrates appearance of new home office of People's Loan & Savings Co. of London.

LONDON CENTRES WESTERN ONTARIO MAIL SERVICES

Rail Facilities Make for Excellence of Postal Conveniences

London is not only the geographical centre, but also the headquarters of the postal district, including post offices and railway mail services, in which it is located. The London postal district includes 18 counties, in full or in part, in south-western Ontario, in which are 506 post offices, and supervises over 1,200 mail contracts exclusive of railways.

In the district are operated 820 rural routes, serving 57,689 boxes, which is over 21 per cent. of the total number of routes, and almost 25 per cent. of the total number of rural boxes served, in the Dominion of Canada, over 200 more rural routes and over 22,200 more boxes than the next highest number in any other postal district in Canada.

There are 9 rural routes starting at London and serving 821 rural boxes. Within 10 miles of London there are 2,466 boxes served by rural couriers, and within 20 miles of London, a total of 6,300 rural boxes are served. In addition, there are within 20 miles of London over 6,700 families receiving mail through general delivery or call boxes, and over 22,000 householders and business places in London and St. Thomas.

Service is Unexcelled

Thirteen open mail or railway post office trains are operated out of London, and also thirteen similar trains operate into London, without counting four additional services each way over the London & Port Stanley trains connect with post office trains operating in and out of St. Thomas. There are also sixteen baggage car or closed mail trains over which mails are despatched from London, and fourteen similar trains over which closed mails are received.

During a 24-hour period at London, 170 mails are made up and despatched, and 117 mails are received, comprised as follows:

Despatched to railway post office trains	56
Received from railway post office trains	40
Despatched to post offices	114
Received from post offices	77

Despatches to and from Great Britain and Ireland are additional to the above summary.

Direct mails are received from and despatched to trains operating east of Montreal carrying mail to and from London for the province of Quebec and the Maritime provinces. These trains also carry closed mails between points in the New England States, and points in Michigan and western States. Mails to and from Western Canada are carried over Canadian lines and also via the United States.

The following mail connections are received and despatched daily at London:

From	
Hamilton	5
Toronto	10
Montreal	5
Eastern States	6
Western States	8
	34
For	
Hamilton	6
Toronto	10
Montreal	5
Eastern States	6
Western States	10
	37

London has a later daily mail service to New York city and to Chicago than Toronto.

In London postal district, 5 steam railroads and 6 electric railways carry mail. This makes for the best service in Canada.

SPLENDID WATER SYSTEM

Nearly two billion gallons of water are pumped yearly by the London Municipal Waterworks Department, or about five million gallons per day of 24-hours. To provide a proper and pure water supply the city owns, operates and controls two stations; three reservoirs, total capacity of 18,000,000 gallons; 3, 2-million gallon per 24 hours, booster pumps; 14,600 motors; 152 miles of water mains; 16,000 services; 1,200 valves; and 1,050 hydrants.

GOVERNMENT, PROVINCIAL
MUNICIPAL
AND
CORPORATION SECURITIES

INDUSTRIAL
FINANCING

Members
Toronto Stock Exchange

R. A. DALY & CO.
BANK OF TORONTO BUILDING
TORONTO

Want to Know About Financial London? Then Ask Mr. Smart

For a good many years now A. M. Smart has been in very close touch with the financial affairs of London—first, as a result of his connection with the old London Bank and subsequently as general manager and later president of the Ontario Loan and Savings Company. One thing that Mr. Smart seems to have had indelibly impressed on him during these years is the exceedingly high character of the farmers of the London district.

In conversation once he referred to the farm loans in effect with his company during the early war years when moratoria were the order of the day. Though, he says, it would have been possible for a number of the farmers to shirk or at least temporarily shelve their responsibility under the moratorium, no one farmer ever took advantage of this opening or even tried to do so.

Mr. Smart is a very sound man on investments as the history of his company indicates. He puts in the very forefront of such investment loans with the farmers of the London district. The one difficulty, of course, is that such loans are difficult to get for even the development work the London district farmers need is in many cases paid out of current receipts.

Of late years Mr. Main has taken over so much of the work of the Ontario Loan, that Mr. Smart has been able to get more leisure for golf and for his other outside interests. When one wants a thorough understanding of financial conditions in London, however, and when one wants an understanding of conditions in the whole country, Mr. Smart is one of the financial men of London who should be seen, and fortunately his courtesy is almost certain to make an interview possible.

Dominion and Provincial
Government Bonds

Municipal Bonds

Public Utility
and
Industrial Financing

Foreign Issues Quoted

DOMINION SECURITIES CORPORATION
LIMITED.

MONTREAL OFFICE
189 St. James Street

Established 1901
E. R. WOOD, President
Head Office TORONTO 2,
26 King St. E.

LONDON, ENG., OFFICE
No. 6 Austin Friars

H. I. SMITH
Representative

LONDON

301 ROYAL BANK
CHAMBERS
Telephone 219

Fifty-Seven Years of Progress and Prosperity

In its fifty-seven years of service to the public of its home City of London and an ever widening proportion of the Dominion, The Ontario Loan and Debenture Company has steadily grown in strength and stability.

Since its incorporation in 1870 The Ontario Loan has never in any year missed a dividend, the average rate of dividend payments being 8 per cent. per annum. Yet in no year has the Company paid to shareholders all its earnings, always retaining a substantial portion and adding it to the Reserve Fund. The result is that there is now no stronger Savings and Mortgage Loaning institution in Canada.

Reserve Fund, $2,725,000

Paid-up Capital $1,750,000 Assets $10,207,002

DIRECTORS

A. M. SMART, President,
Vice-President, McClary Manufacturing Co.

C. R. SOMERVILLE, Vice-President,
President, Northern Life Assurance Co. of Canada.

W. M. GARTSHORE,
President, McClary Manufacturing Co.

JOHN M. DILLON,
Proprietor, A. M. Smith & Company.

JOHN G. RICHTER,
Vice-President, The London Life Insurance Co.

A. T. LITTLE,
President, Robinson, Little & Co., Ltd.
President, London & Western Trusts Co., Ltd.

Manager: T. H. MAIN.

The Ontario Loan and Debenture Co.

"57 Years of Service"

LONDON - - - ONTARIO
DUNDAS STREET AND MARKET LANE

London Holds Unique Position as Centre of Many Loan Companies

Building and Loan Plan Forms Background of Thriving Organizations—Prove Great Incentive to Thrift

In the latter part of last century, there were established a number of loan companies designed to assist the man of average means in saving his money and advancing the necessary funds in order to assist him in building a home. This movement at the time assumed considerable proportions, but after the first flurry of interest, a number of these organizations voluntarily retired from the field and a further reduction took place in the late 90's when the Federal Government restricted the powers of the loaning companies. Those that survived this period of readjustment, however, have prospered exceedingly, and while war conditions called a temporary halt to their activities, the last few years have witnessed a substantial growth of the better managed loan and debenture companies.

Practically every city of importance in the Eastern Provinces boasted at one time or another of one or more of these loaning establishments. Ontario, and more particularly London, was the centre of this movement. Consequently, there exists in London today a number of loan and debenture companies with resources of millions of dollars, and from the standpoint of stability and strength are on a par with many of the chartered banks. Their activities have gradually expanded and from the small local institution, many have developed into powerful organizations with interests in all parts of the Dominion.

Organize Savings Departments

Although originally formed for the purpose of advancing funds for farmers and homes, the function of the loan and debenture companies has undergone a change. Up until the outbreak of the war, practically all of the money loaned by the loan companies of London was received from the Old Country. The disorganization of financial relations between Canada and the Old Country from 1914 to 1920, closed this source of supply and in order that the companies could continue to operate along accustomed lines, it was necessary to secure funds from other quarters. To this end, savings departments were organized to function as an integral part of their operations.

While the loan companies do not claim to be banks in the generally accepted use of the word, nor have they the powers of the regularly organized banks, yet they provide a service of equal value. Money is received by them in the ordinary way and paid for at the rate of from 3½ to 4 per cent. per annum. Practically all of the loan companies accept these funds as partial payment on their debentures, which in turn pay 5 per cent. or better, depending upon demand and current rates of interest. Thus a depositor places his money with the loan company from week to week and when sufficient money has been accumulated, it is transferred to a debenture of various denominations, ranging from $50 or any multiple thereof.

Debentures Backed by Mortgages

The debentures are a direct obligation on the issuing companies, and are in turn secured by mortgages on selected and improved urban property. In order to protect themselves as well as their clients, the loan companies impose obligations on themselves as to the amount of money to be loaned on any one property. In this way their liabilities are spread out and the risk of loss through defalcation of payment or foreclosure of mortgage is reduced to a minimum. In the case of one of the largest loan companies, with headquarters in London, the average loan outstanding amounts to approximately $2,500. It is obvious, therefore, that the securities are protected to the fullest extent. Not only are loans placed on a conservative basis, backed by the judgment of men of many years' experience in this class of work, but the books of the company are regularly examined by the provincial or federal governments for the protection of share and debenture holders.

Limit Size of Loans

Additional protection is assured by limiting loans from one to five years. In exceptional cases money will be advanced for a period of ten years, but the loan companies provide ample safeguards in order to protect themselves from any unusual movements in interest rates. Experience has also shown that limiting the period of the loan enables the companies to keep their resources in a more liquid shape so that they are always in a position to pass over any period of financial or business depression without any serious impairment of their capital structure.

To date the loan companies have been uniformly successful. The London loan companies have also been and are of much importance to the city and immediate vicinity. They offer to the man with limited means high interest on his current savings, combined with safety and the facilities of a savings bank. Moreover, they enable him to accumulate funds and reinvest them in debentures, which return him a yield comparing favorably with that of any similar security to be had on the open market. Savings of the citizens are thus kept at home and the interest received through savings and debenture holdings provide an important part of their income.

LONDON PROVING ITSELF DESIRABLE CENTRE FOR SALES

Communication by Rail, Highway, in All Directions is Important Factor

The fact that nearly a dozen stock and bond houses in the last several years have found it advantageous to locate branch offices in London is evidence that the district serves well as a centre, not merely for manufacturers for the distribution of goods, but for salesmen of every commodity, tangible and intangible. More and more, the Toronto or Montreal house is finding it advisable to have representatives live in London.

From London it is easy to travel east, west, north or south into the richest districts of Ontario. The travel may be made by railway or electric line, or by motor highways. Several of the best provincial highways converge on London. It is not fantastic to say that the day is not far distant when much travel will be airplane. It is logical to expect that London will be on the airways as well as the highways.

With railways and highways converging on London, the telegraphic and telephonic communication also is of the best. This is an invaluable aid to the easy and quick transaction of business in securities. Within a few years it will be surprising if any resident of London finds occasion to transact any financial business outside London. Whether he buys or sells a few low-priced mining shares or desires to finance a company, the facilities are there for him in his home city.

London, moreover, by long experience of its residents, has proved a desirable place of residence. While the desirability of residence in a certain area neither makes nor detracts from a community industrially, it is important commercially and financially. London has much to boast about when it is citing the advantages, comforts and pleasures it offers its citizens.

Midland Securities is Growing London Investment House

D. B. Weldon has adopted London, and London has adopted him. Back in Toronto and Montreal he was considered one of the bright young men of the bond business. Two years ago he went to London and established Midland Securities, with himself as managing director and a board of directors of solid and stable worth.

Midland Securites is successful because D. B. Weldon is popular and because he has had the experience and the wisdom to select from the multitude of public offerings those which are sound and best suited to the investment needs of a growing clientele.

Backs Hotel Project

Midland Securities was identified in the financing of London's latest and proudest project, the Hotel London. Citizens of the community put $300,000 of cash into preferred stock in the enterprise. With such a spirit behind it, it is anticipated that the success of the hotel is assured — for it has been established in recent years that the success of a first-class hotel depends as much on local patronage as on transient trade.

Midland Securities also recently has placed on the market $80,000 of bonds to finance extensions to the central heating system which is an almost unique feature of the London business section.

SINCE JULY 1925—

Since the present directorate assumed control of the Northern Life Assurance Company two years ago, the volume of insurance issued by the Company has shown a remarkable increase—the business secured in May, 1927, being more than ten times as great as that of July, 1925.

Business In Force Now $37,000,000

Assets $5,750,000 **Reserve for Policies over $5,000,000**

DIRECTORS and OFFICERS

President:
C. R. SOMMERVILLE, LL.D.
Vice-President Ontario Loan and Debenture Co.

Vice-President:
R. G. IVEY
Barrister: Vice-President London Street Railway.

RAY LAWSON
President Lawson & Jones, Limited, London and Montreal.
President McMahen, Granger & Company, Limited.

A. T. LITTLE
President Robinson, Little & Co. Limited, London and Winnipeg.
President London & Western Trusts Co., Limited.
Chairman Board of Governors of University of Western Ontario.

J. E. McCONNELL
President McConnell & Fergusson, Limited, London, Toronto, Montreal, Winnipeg and Vancouver.

J. S. MOORE
Manager London & Western Trusts Co., Limited.

W. E. ROBINSON
Director London Loan Co., Limited.
Director Consolidated Trusts Corporation.

MAJOR GORDON J. INGRAM
President Smallman & Ingram, Limited.

FRANK A. McCORMICK
President Canada Biscuit Company, Limited.

R. C. MacKNIGHT
General Manager

C. R. BISSELL, F.A.S.
Actuary.

***The* NORTHERN LIFE**
ASSURANCE COMPANY OF CANADA
LONDON, ONTARIO ESTABLISHED 1897

GROWING WITH THE DOMINION
1896 **1927**
Western Ontario's Oldest Trust Company

The London & Western Trusts Company Limited was incorporated for the purpose of providing Western Ontario with expert and efficient management of Estates, and has won the confidence of the people of this portion of the Province. The Assets under administration now total approximately $20,000,000.

Administration of Estates and Trusts requires experience and responsibility.

The London & Western Trusts Company Limited, with over thirty years' experience is fully qualified to administer Trusts of all kinds.

You are invited to consult with our officers, the management of your affairs, and are assured responsible, efficient and sympathetic service.

Board of Directors

PRESIDENT,
Arthur T. Little.
VICE-PRESIDENTS,
Col. T. S. Hobbs. A. M. Smart.

Geo. Mair
C. R. Somerville
John Pringle
John M. Dillon
Geo. C. Gunn

Gordon J. Ingram
Geo. G. Moncrieff
Colin M. Duffield
Col. Wm. Gartshore
Ray F. Lawson
A. McPherson.

MANAGER,
John S. Moore.

THE LONDON & WESTERN TRUSTS COMPANY LIMITED
LONDON ONTARIO

People's Loan Savings Started With Assets of $32,000; Now $1,200,000

People's Loan and Savings Corporation Has Made Splendid Record for Itself—Subsidiary Trust Company Forging Ahead

Among the oldest loan companies operating in Ontario, or in the Dominion for that matter, is the People's Loan and Savings Corporation, of London. Incorporated in 1892, the company has recorded steady progress from year to year, and the manner in which it has developed may be judged from the fact that assets in the first annual statement were shown at $32,000, while at the end of 1926 this item was shown on the balance sheet at nearly one and a quarter million dollars.

This corporation first did business on the building and loan plan, having terminating shares only, emulating the type of establishment which is so popular in Great Britain and the United States. The mutual idea was not so well understood in Canada and, consequently, after operating on this plan for some eighteen years, it was decided to have only permanent stock and liquidate the terminating feature. During the process of closing out the terminating shares, upwards of a million and a half dollars were paid to this class of shareholders.

Strong Financial Position

The aim of the corporation has always been to provide an adequate return on the money invested with it, commensurate with the highest degree of safety. It has closely adhered to this policy, and the soundness of its position to-day is an example of what can be done with efficient and conservative management. The last balance sheet of the corporation for the calendar ended December 31, 1926, showed total assets of $1,207,627, of which sum mortgages represent $937,716; loans on stocks and bonds, $6,662; office premises, rents and real estate owned, $53,205; while the balance is made up of Victory bonds, stocks owned, cash in hand and banks, interest in the Premier Trust Co., and other assets. On the other side of the ledgers, liabilities to the public and shareholders are shown at $604,984 and $500,000 respectively. Reserve fund is set down at $100,000, and the balance carried forward from the profit and loss account $2,653.

Premier Trust Co.

In addition, the corporation extended its activities in 1913 in order that it might carry on the functions of a trust, and to this end the Premier Trust Co. was formed. While the trust company has only been in operation for 14 years, it has made creditable progress. The number of estates, trusts, and agency accounts being handled has grown steadily from year to year, and it is expected that in time this subsidiary will occupy an important position in the financial life of London. At the end of last year the balance sheet of the company showed no liabilities due the public. Estates, trusts and agency accounts to the value of nearly $750,000 were under management, while the guaranteed trust account totaled $142,479. Capital stock fully and partly paid, reserve funds, undivided profits and a small bank loan, are shown at 175,927. Assets are in a very liquid position. Short term mortgages constitute most of the holdings on this side of the ledger, while high-grade stocks and bonds figure prominently in the report.

Both the People's Loan and Savings Corporation and the Premier Trust Co. are operated through an interlocking board of directors. James Gray is president of both companies; Dr. W. J. Stevenson, vice-president; A. A. Campbell, general manager, and Wm. Spittal, secretary-treasurer.

RECORD OF LONDON LIFE IS ONE OF STABILITY, GROWTH

(Continued from page 17)

ful general manager. Under his direction, the field force and agencies of the company have been upbuilt gradually from coast to coast, with the result that, in the amazing increase in life-insurance which has characterized the last decade, London Life has not been behind its competitors in getting new business. London Life, to all appearances, is most fortunately operated, with Mr. Richter bringing a keen, analytical mind and a broad experience to the investment side, and Mr. Reid, himself a no mean judge of investment, by his vim and personality, inspiring the field force to new records, week by week, month by month, and year by year.

These are the other directors who have contributed to the success of London Life.

A. O. Jeffery, K.C., LL.D., D.C.L., is a practising barrister as well as president of the company.

W. M. Spencer is a director of the London Street Railway.

T. W. Baker is connected with the Dyment-Haker Lumber Co.

William Gorman is president of Gorman, Eckert & Co.

J. E. Jeffery, the company's solicitor, is a well-known London barrister.

A. M. Smart is president of the Ontario Loan & Debenture Co., and vice-president of McClary Manufacturing Co.

H. S. Blackburn, is local master of the supreme court of Ontario.

A. McPherson was formerly senior partner of Elliott, Marr & Co.

THE PEOPLES LOAN & SAVINGS CORPORATION

THE PREMIER TRUST COMPANY

Operated under the same management.

HEAD OFFICES: LONDON, ONTARIO
BRANCH OFFICES: WINDSOR, ONTARIO

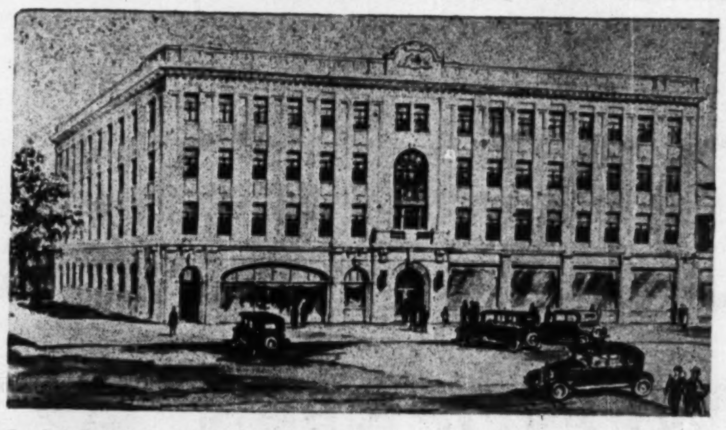
Debentures and Guaranteed Investment.

Receipts issued bearing 5½% per annum, payable half yearly.

Inquiries by mail or personally invited.

JAMES GRAY, President — A. A. CAMPBELL, General Manager
DR. W. J. STEVENSON, Vice-President — WM. SPITTAL, Sec'y-Treasurer

London Builds Civic Office, Not Hall



London, Ont., builds office building to house civic administrators, rather than embark on the more orthodox type of construction that is wasteful of space and money and no advantage architecturally.

Londoners May Not Know Importance of Their Home City

It is a question if residents of London, Ont., realize the importance of their city in a financial sense. Perhaps the only way to obtain an exact knowledge of the relative importance of London is to compare it with other cities of similar population. It will be found that, without exception, there are larger and more important financial institutions in London than in any other city of its size in Canada.

The reason for this condition lies firstly in the geographic advantages of the place. Middlesex county is naturally a centre.

Secondly, in the past, as in the present, London has been fortunate in possessing men whose forte has been sound finance.

Thirdly, finance has become a feature of London, because enterprise attracts similar enterprise. It is now as natural for London to be a financial centre as it is for Kitchener, Ont., to be a centre of furniture manufacture or for Manchester to be the centre of the cotton trade.

ECONOMICAL DISTRIBUTING CENTRE

London's electric power and transportation facilities, including steam and electric railways and hard surfaced and improved highways are unexcelled. This means that Canadian communities constituting the most densely populated area in the Dominion are reached by one line hauls, making for prompt control over shipments and a reduction to a minimum of the usual transportation delays incidental to the interchange of express or freight. These facts have resulted in London being recognized as a great jobbing centre and wholesale market.

London is Fourth Ontario Bank Centre

London is the fourth bank centre in Ontario. London's bank clearings reflect in a most satisfactory manner the solidarity in business and financial circles of the city.

No less than 8 chartered banks have branches in London: Bank of Montreal (7 branches); Bank of Nova Scotia; Bank of Toronto (5 branches); Canadian Bank of Commerce (3 branches); Dominion Bank (2 branches); Imperial Bank; Royal Bank (4 branches); Standard Bank.

Loan, savings and Trust companies are represented by the Huron & Erie Loan and Savings Co. (4 branches); London Loan & Savings Co.; Ontario Loan & Debenture Co.; People's Loan & Savings Corporation; London & Western Trusts Co.; Canada Trust Co.; The Premier Trust Co.; The Fidelity Trust Company of Ontario, and Consolidated Trusts Corporation.

The Midland Securities is a substantial London institution, organized for the marketing of bonds and stocks.

Many Financial Houses Have Offices in London

London is the fourth banking centre in Ontario and its bank clearings reflect in a most satisfactory manner the solidity of business and financial circles of the city. No less than eight chartered banks are represented in London; nine loan, savings and trust companies; numerous security houses, etc.

The financial institutions in London have a continuous record of successful operation upon their own part and of substantial service to the community, province and Dominion. Their number and strength furnish assurance of future growth.

To Better Serve Our Western Ontario Clients

we maintain a branch office in London, where your investment problems may be discussed and the safe investment of your funds arranged.

This House deals in Government, Municipal and "Dollar for Dollar" bonds representing the soundest form of investment and we would be pleased to make investment suggestions suited to your individual requirements.

The Willison-Neely Corp.
Limited
Investment Bankers

BANK OF MONTREAL CHAMBERS, LONDON, ONT.
Branch Managers: C. E. Isard, R. W. Robertson.
Head Office: Toronto. Branches: Ottawa, Montreal.

New Issue

$11,000,000

French National Mail Steamship Lines

(Société des Services Contractuels des Messageries Maritimes)

6% External Sinking Fund Gold Bonds

Dated: May 1st, 1927 — Due: May 1st, 1952

Principal and semi-annual interest (May 1st and November 1st) payable at par in Canadian gold coin at the office of The Royal Bank of Canada in Toronto or Montreal, free of any French taxes, present or future, all of which are assumed by the Company. Coupon bonds in denominations of $1,000 and $500, registerable as to principal. Redeemable as a whole on any interest date on or after May 1st, 1937, on three months' notice at par and accrued interest. Also redeemable in part by lot for sinking fund on any interest date on or after November 1st, 1932, on three weeks' notice at par and accrued interest.

The Royal Bank of Canada, Fiscal Agent. — Montreal Trust Company, Registrar.

Arrangements have been made with The Royal Bank of Canada, as paying agent, whereby principal of and interest on these Bonds will be payable at par at any of its branches in Canada.

Sinking Fund commencing 1932 calculated to retire this entire issue of Bonds by maturity.

These Bonds are being offered simultaneously in Canada and abroad.

For detailed information, we refer to the prospectus containing letter from M. Georges Philippar, President of the Board of Directors of French National Mail Steamship Lines, which has been summarized in part as follows:

Guaranty of French Government

These Bonds will be issued under the authorization of the Government of the French Republic pursuant to the Convention of December 29, 1920, as ratified by the Law of July 28, 1921, and payment of principal, interest and sinking fund is assured by the undertaking of the French Government:

(1) To pay to the Company such amounts as may be necessary to make up any deficiency in the Company's income if it should prove insufficient to pay various charges, including interest on and amortization of loans issued pursuant to said Convention; and

(2) To pay the debts of the Company if for any cause it should cease operations.

These Bonds will be the direct obligation of French National Mail Steamship Lines, ranking *pari passu* with all of the Company's outstanding bonds.

The Company

French National Mail Steamship Lines (Société des Services Contractuels des Messageries Maritimes) was organized in 1921, pursuant to a Convention entered into on December 29, 1920, between the Government of the Republic of France and the Compagnie des Messageries Maritimes, ratified by Law of July 28, 1921. The Company operates mail, passenger and freight services, connecting France with Southern Europe, Asia, Africa and Australia. The Company's operations are directed by the Compagnie des Messageries Maritimes, but are carried on under the jurisdiction and control of the French Government.

As availability of regular and rapid ocean navigation is one of the essential steps toward the promotion of commercial relations between France and its Colonies, the formation of French National Mail Steamship Lines constituted an important step in the French Government's post-war development program and this is the primary reason for the sponsorship of the Company by the Government of France and the financial guaranty above mentioned.

All legal details in connection with this issue are to be approved by Messrs. Coudert Brothers, New York and Paris. It is expected that interim certificates will be ready for delivery on or about July 5, 1927.

We offer these Bonds when, as and if issued and accepted by us, subject to prior sale and to the approval of Counsel.

Price: 91.50 and interest, yielding over 6.70%

Wood, Gundy & Company
Limited

Toronto, Winnipeg, Hamilton — Royal Bank Bldg., London, Ontario, Telephone: Metcalfe 1063 — Montreal, New York, London, Eng.

The information contained in this advertisement has been received by cable and is subject to correction. We do not guarantee, but believe the statements herein made to be true.

LONDON, CANADA

A CITY OF WONDERFUL ACHIEVEMENT

Location

London is the centre of Canada's greatest economic area, providing a purchasing population of over 1,000,000 and is therefore the logical location, combining ideal facilities with every economy, in which to establish a sound business enterprise.

Stability

London is one of Canada's most substantial and progressive cities.

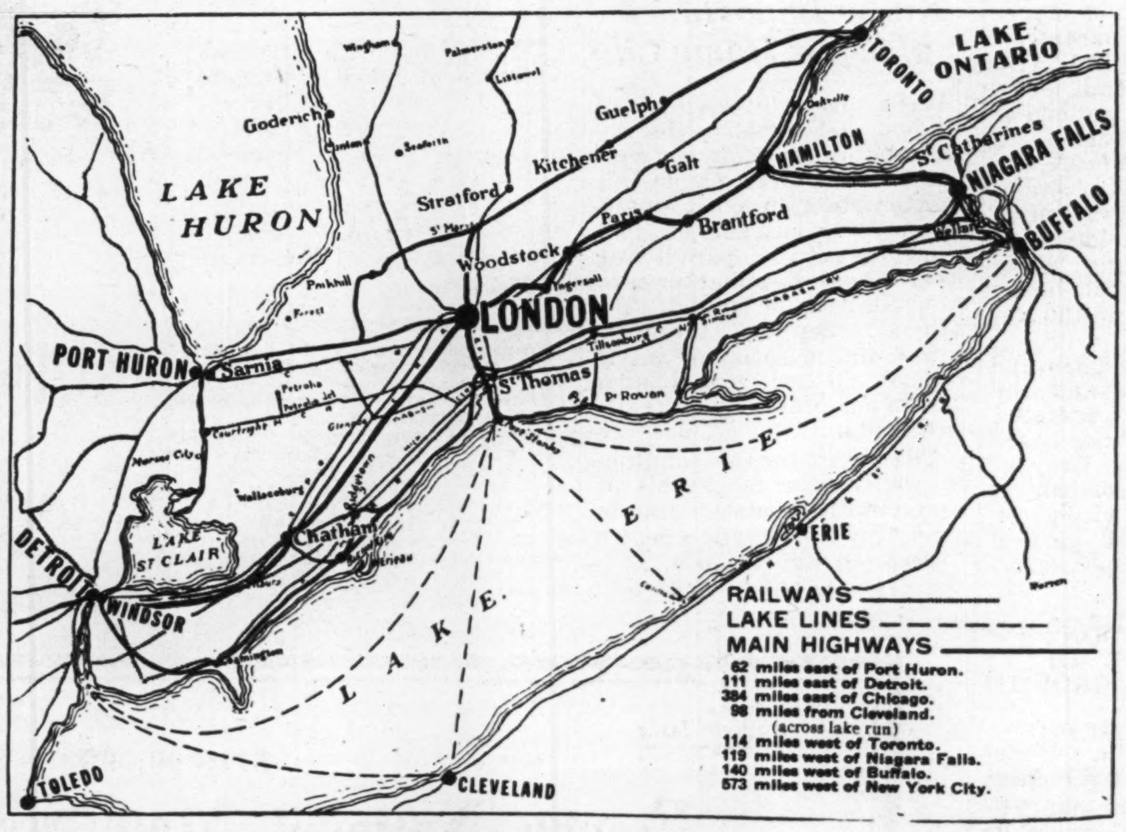
The story of London's stability was never better told than when Roger Babson, financial expert of international reputation, analysed the figures for all Canadian Cities and placed London FIRST.

Fuel

Proximity to the coal fields of Pennsylvania is an advantage. London is, of large Canadian cities, the nearest to the great coal fields.

Financial Institutions

Financially London ranks fourth among the cities of the Province. On a per capita basis it stands first in the Dominion. Its financial institutions have a continuous record of successful operation upon their own part, and of substantial service to the community, province and dominion. Their number and strength furnish assurance of future growth of both the institutions and London itself.



The Centre of Canada's greatest economic area. Unexcelled transportation centre. POPULATION OVER 66,000

The Soundly Established and Expanding Financial Institutions and Industries Located in London Give Striking Evidence of the Economic Superiority of this Centre as a City in which to Live and Establish a Business

Commercial and Financial Capital of Western Ontario

Area—over 10 square miles. In acres 6,423.
Total Assessment—over $75,000,000.
Annual Building Permits—$3,000,000.
Annual Bank Clearings—over $150,000,000.
Annual Customs Receipts—over $3,000,0000.
Annual Postal Revenue—over $500,000.
Real Estate Transfers—$5,000,000 yearly.
Sixth Canadian Manufacturing City.
Manufacturing plants number 464.
Capital invested in industries—over $36,000,000.
Annual industrial production—over $48,000,000.
Number of people employed in industries—11,214.
Annual industrial pay roll—over $12,000,000.
Fourth banking centre of Ontario.
Eight chartered banks, 29 branches.
Nine loan, savings and trust companies.
Head offices two large insurance companies.
Second wholesale distributing centre of Ontario.
London Post Office tenth in Dominion.
Largest mail distributing centre in Canada.
Important educational and ecclesiastical centre.
Seat of the University of Western Ontario.
Twenty-five public schools, eight separate schools.
Three Collegiate Institutes, Normal School, Technical and Commercial High School.
Two Cathedrals, St. Paul's (Anglican) and St. Peter's (Roman Catholic).
Seventy-seven other churches.
Wide streets—beautiful homes—high percentage of home ownership.

SPECIAL SERVICE

One of the distinctive economic assets to London is its modern Chamber of Commerce representing the community organized to give practical service to all considering London as a desirable place in which to establish a substantial industry and to aid in the progress of the city through the development of established industries.

This community institution organized for community building offers a confidential, expert Survey and Consultant Service to manufacturers who desire reliable reports on all subjects relating to the successful establishment and operation of main or branch plants under contemplation.

Thomas Adams, International Authority on City Planning, in an address in Wales, used London as an ideal city in which to live. It is, he said, "one of Canada's most beautiful centres of population with wide streets and boulevard system, beautiful parks and supervised playgrounds."

Artificial Gas

A modern and well equipped plant provides an adequate supply of artificial gas for industrial, heating and lighting purposes.

Transportation

London is served by FIVE GREAT RAILROADS.

Paved Highways.

Electric Railway giving direct connection with Lake Ports.

Motor Bus Express and Passenger Service.

An Excellent Landing Field for Aircraft.

Favorable Facilities

Civic efficiency, financial resources, community protections, educational, recreational and other supremely important essentials that contribute to the success of substantial enterprises obtain in well balanced proportion in London.

Power

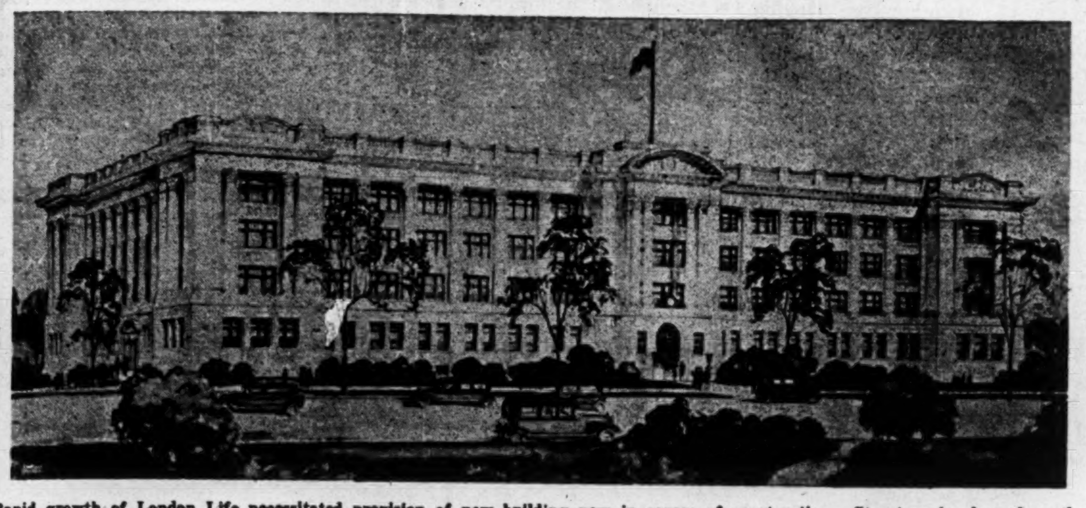
London is most favorably located with respect to a cheap, adequate and dependable supply of hydro-electric power. Three lines of the Ontario Provincial Power System assure a continuous supply of electric power against interruptions to service.

CITY COUNCIL:

JOHN M. MOORE, MAYOR
ALDERMAN V. P. CRONYN
ALDERMAN PAUL DOIG
JAMES BELL, CITY TREASURER
ALDERMAN D. F. GLASS
ALDERMAN F. B. KILBOURNE
ALDERMAN W. J. KILPATRICK
W. H. WOOD, MANAGER, CHAMBER OF COMMERCE
ALDERMAN W. H. KIPPEN
ALDERMAN JAMES McCORMICK
ALDERMAN EDWIN SMITH
S. BAKER, CITY CLERK

For complete information communicate with the London Chamber of Commerce

London Life Soon to Occupy New Building



Rapid growth of London Life necessitated provision of new building now in course of construction. Structure is planned so that it may be enlarged without spoiling its architectural features.

Operating Since 1870 Ont. Loan and Debenture Stands Among Leaders

Conservative Management and Adherence to Original Policy Enables Company to Record Steady Growth—Securities Highly Regarded by Government

One of the oldest loan and debenture companies operating in London, the Ontario Loan and Debenture Co., has steadily expanded and today is recognized as one of the largest and strongest financial institutions of its type in the Dominion. The company was originally incorporated in 1870, under provincial charter, which, with subsequent amendments, gave the requisite powers and imposed the proper restrictions for the protection of those advancing their funds on the security of the corporation. In the year 1911, there was amalgamated with it the business and assets of the Agricultural Savings and Loan Co.

The company has set up numerous safeguards, both for the protection of its clients and shareholders. The company does not loan upon or invest in any security of speculative value. As an indication of the standing of the company in Canada, it may be mentioned that its debentures, after a careful scrutiny of the financial position of the company by the Treasury Board of the Dominion of Canada, are accepted by the Dominion and Provincial Governments as a deposit from fire and life insurance companies doing business in Canada, as security for the protection of their policyholders; and are also one of a selected class of securities in which executors and trustees are authorized to invest trust funds.

Operating Since 1870

Incorporation took place in 1870, so that the company has been in continuous operation for fifty-seven years. The subscribed capital is $2,550,000, of which $1,750,000 is fully paid-up. Of the former amount $1,550,000 consists of fully-paid up shares and the remaining $1,000,000 of shares paid up to the extent of one-fifth, leaving the balance $800,000, together with a premium of 20 per cent subject to call. There are approximately six hundred shareholders, including a large representation of trustees, executors and public bodies. For fifty-six years the company has continuously paid dividends on its capital stock averaging over 8 per cent. per annum. Through all these years, it has only paid out to its shareholders part of its earnings, with the result that there has been accumulated a reserve fund, which at the end of 1926, amounted to $2,725,000, or nearly $1,000,000 more than the amount of capital actually subscribed and paid for.

Like other loaning companies operating from London, the Ontario Loan and Debenture Co., provides savings bank facilities for its customers and loans money on improved properties. The company's mortgage loaning policy is that of wide distribution of loans of moderate amounts. It does not take an undue number of mortgages in any one locality. No unduly large amount of the company's funds is loaned to any one borrower nor upon any one security. Though its mortgage loans now total $7,073,178, the largest mortgage is under $55,000 and there are only twenty which are over $25,000. The average mortgage at the end of last year only amounted to $2,265.

According to the last financial statement of the company for the calendar year 1926, assets totalled $10,207,002, of which about 70 per cent. represented mortgages held, and the balance high grade securities and cash in banks. Liabilities to the public total $5,614,109, of which $928,760 are deposits and the remainder outstanding debentures. A total of $4,592,892 represents liabilities to the shareholders. Of this amount, $69,767 is the balance carried forward from the profit and loss account; $2,725,000 in the reserve fund; $1,750,000 capital fully and partly paid; and $48,125 dividends payable. Thus it will be seen that the company is in an exceptionally strong position from the standpoint of finances.

The officers of the company are all London men, with A. M. Smart, president, C. R. Somerville, vice-president, and W. M. Gartshore, John G. Gartshore, John G. Richter, John M. Dillon and Arthur T. Little, on the board of directors. Thomas H. Main, is manager of the company.

London, Ont., in 1926

Population, 64,293. Middlesex County, 106,000.
Total gross funded debt, $14,446,562.
(This is usually considered the gross debt of the city, although about $4,000,000 of these bonds are pledged, not sold).

Local improvements (owners' share)	$1,708,294
Waterworks	1,891,836
Electric Light	1,391,770
Housing	562,279
London & Port Stanley Rly.	1,665,874
School	2,541,296
General	4,115,691
Local improvements (city's share)	569,632
Tax assessment, 1926	74,172,664
Tax levy, 1926	2,874,587
Tax arrears, 1926	306,640

Previous, $70,144. Total, $376,784.

FOUR OF LONDON COMPANIES ARE IN INVESTORS' HANDS

Details of Recent Security Offerings Are Made Available

Kelvinator of Canada, Canada Biscuit Co., City Gas Co. of London, and Carling Breweries, Ltd., are four London industries in which there is now a widespread investment interest through distribution of bonds and preferred and nommon stock. Description of these companies, from the viewpoint of the investor, are subjoined. The excerpts are from The Financial Post Survey of Corporate Securities.

CANADA BISCUIT COMPANY

Canada Biscuit Co., as a merger of several companies of long history in the biscuit and confectionery business, should do fairly well by the investor over a term of years. The more immediate future can hardly be free of difficulties, as the amalgamation has been effective only since 1926, and there are problems of correlation yet to be solved. The board of directors is composed of executives of the various plants who were successful in their individual businesses.

Company—A consolidation of firms engaged in the manufacture of biscuits, confectionery and allied products. Dominion charter 1926. Head office, London, Ont.

The constituent companies are as follows:
McCormick Manufacturing Co., London, Ont.
Paulin-Chambers Co., Winnipeg, Man.
J. A. Marven, Ltd., Moncton, N. B.
Northwest Biscuit Co., Edmonton, Alta.
Montreal Biscuit Co., Montreal, Que.
Northwest Mill & Feed Co., Edmonton, Alta.
D. S. Perrin & Co., London, Ont.

The merged company now has more than 2,500 employees and the combined sales of the predecessor companies have averaged over $8,000,000 annually. Of the merging companies, the McCormick Manufacturing Company is the oldest and largest, and the business which it brings to the merger will represent nearly one-half of its total operations. Branch warehouses are maintained in all important cities in Canada.

Officers—Frank A. McCormick, pres.; J. A. Marven, J. Farquharson, and C. C. Wardrope, vice-presidents; H. V. Hansen, gen.-mgr.; D. C. McNaughton, sec.-treas.

Directors—Frank A. McCormick, London, Ont.; J. A. Marven, Moncton, N. B.; J. Farquharson, C. C. Wardrope, Winnipeg; D. C. McNaughton, London, Ont.; W. K. Tower, Montreal.

Fiscal year ends Dec. 31. Annual meeting first Thursday in March. Transfer agent and registrar, National Trust Co., Montreal.

Capitalization

Capital Stock	Authorized	Issued	Par val.
Pref. 7% cum.	$5,000,000	$3,519,000	$100
Common	100,000 shs.	90,780 shs.	N.p.v.

Funded Debt

6½ per cent. First Mortgage Sinking Fund Gold Bonds (Series A)—Authorized $2,500,000. Issued and outstanding, $2,200,000.

Dated May 1, 1926; due May 1, 1946. Interest payable May and Nov. 1.

Secured by first mortgage on all property. Callable at 105 until 1937, 102½ until 1942, and thereafter at 101.

Sinking fund of 2¼ per cent. operative annually after May 1, 1928.

Trustee—Royal Trust, Montreal.

Summary of Balance Sheet (Latest Available)

	Dec. 31 1925
Assets—	
Fixed Assets	$3,288,620
Current Assets	2,457,195
Total	$5,745,815
Liabilities—	
Preferred Stock	$3,035,600
Bonds	1,600,000
Current Liabilities	875,350
Surplus	234,865
Total	5,745,815
Working Capital	2,581,845

Earnings—

Combined net earnings of constituent* companies are as follows:

1919	$485,348.06
1920	293,658.28
1921	365,300.25
1922	366,686.20
1923	382,707.69
1924	391,777.89
1925	383,055.29
	$2,668,533.61
Average for seven years	375,259.32

*These figures do not include D. S. Perrin & Co., and in compiling the seven-year average, the earnings of Northwest Mill and Feed Co., appear only for the five latter years.

KELVINATOR OF CANADA

Kelvinator is one of the two leading companies in the field of electric refrigeration—a field which, unless all signs fail, is on the verge of enormous and rapid development, besides the household refrigerator for which the surface of the market has been barely scratched, the company manufactures ice-cabinets used commercially.

Kelvinator of Canada is controlled by, and has the benefit of experience of, the parent company in the United States. Besides the domestic market, Kelvinator of Canada has for its field every foreign country except continental United States. Thus the market for the subsidiary is potentially at least as large as the market for the parent company.

Investors should note that the number of outstanding common shares of Kelvinator of Canada is somewhat large in proportion to the preferred.

(Controlled by Kelvinator Corp., Detroit)

Company—Organized in 1925 to manufacture and distribute Kelvinator and Nizer electric refrigeration machines in Canada and the British Empire. The Kelvinator is a refrigeration unit for use in homes and apartment houses, and the Nizer equipment is used for commercial purposes, such as dairies, ice-cream manufacturers, etc. Head office and plant, London, Ont.. The Kelvinator Corp. and the Nizer Corp. of the United States are controlled by a holding company called the Electric Refrigeration Corp., with head office, Detroit.

Subsidiary—Kelvinator, Ltd., of London.

This new subsidiary, with headquarters in London, Eng., will take care of the large export business that the Canadian company has developed in the British Isles, and also the establishment of agencies in other European countries. Capital stock—$200,000 preferred and 500,000 shares of common, all owned by Kelvinator of Canada.

Officers—A. H. Goss, pres.; J. B. Goss, Jr., vice-pres. and gen. mgr.; B. A. McDonald, treas.; A. T. Little, sec.

Directors—A. H. Goss, W. D. Mercer, Howard A. Lewis, Detroit, Mich.; J. B. Goss, Jr., Arthur T. Little, London, Ont.; D. O. Bull, Brampton, Ont.; C. B. McNaught, A. E. Ames, Toronto.

Fiscal year ends Sept. 30. Annual report appears at the end of January. Transfer agents—Royal Trust, Toronto. Registrar, Bankers Trust, Toronto.

Capitalization

Cap. Stock	Authorized	Issued	Par val.
Pref. 7% cum.	$800,000	$788,500	$100
Common	100,000 shs.	100,00 shs	N.p.v.

The preferred has preference as to assets and dividends, is callable at 105, and is subject to an annual sinking fund of 2 per cent., thereafter on the largest amount of stock outstanding. The stock is unconditionally guaranteed as to dividends by Kelvinator Corp.

Dividends—Preferred, 7 per cent. cumulative, payable May, Aug., Nov. and Feb. 15.

Summary of Balance Sheet

	Sept. 30 1926
Assets—	
Fixed Assets—	
Property, etc.	$ 143,112
Goodwill	543,900
Current Assets	598,502
Deferred Charges	13,941
Other Assets	84,668
Total	$1,384,123
Liabilities—	
Preferred Stock	$ 788,500
Common Stock	500,000
Current Liabilities	48,131
Other Liabilities	1,120
Surplus	46,372
	$1,384,123

Profit and Loss Account to Sept. 30, 1926

Received from—	
Kelvinator Corporation	$60,000
Electric Corporation	14,371
	74,371
Preferred Dividends	28,000
Balance Forward	46,371
Stock Range—	
Preferred, high	95¾
Low	88
Common, high	24¼
Low	9⅞

CITY GAS COMPANY

Company—Manufacturers and distributors of artificial gas in the city of London since 1864. The present properties comprise an artificial gas plant and 110 miles of distributing mains situated throughout the city of London and the townships of London and New Westminster. Investment interest centres around the bond issue which was sold in April, 1927.

Officers—C. M. Duffield, pres.

Capital stock—Authorized, $400,000; issued, $228,000. The company is owned and controlled by the Duffield family, and no further information about the company is available.

Funded Debt

Six per cent., 20-year, First Mortgage Sinking Fund Bonds.

Dated April 1, 1927; due April, 1947. Interest payable April and Oct. 1.

Authorized, $250,000; issued, $225,000.

Secured by a first mortgage on all the company's properties.

Sinking fund operative April 1, 1928, and sufficient to redeem over 50 per cent. of the issue by maturity. Callable at 103 until April 1, 1929; at 102 until 1932; at 101½ until 1937; at 101 until April 1, 1942, and at par thereafter.

Trustee—London and Western Trusts, Ltd.

CARLING BREWERIES

Public offering of 100,000 shares of Carling Breweries, Ltd., made by Doherty-Easson Co., was quickly oversubscribed. At a subscription price of $27 a share, the stock made an instant appeal to investors, not only because of the indicated high earning power of the company but because of the announcement that it is the intention of directors to inaugurate dividends at the rate of $2 per share per annum, payable 50 cents quarterly, the first dividend to be payable October 1st, 1927.

Carling Breweries, Ltd., has no bonds and no preferred stock, the only capital obligation being no par value common stock, of which 200,000 shares are authorised and 160,000 shares issued.

The company was incorporated early this month to acquire as a going concern the assets of the Carling Export Brewing and Malting Co., Ltd., of London, Ont. Established in 1840, a new plant was erected in 1882 and this plant was thoroughly renovated in 1923, while in 1926 capacity was practically doubled. It has a brewing capacity of 1,200 barrels per day and bottling and shipping capacity of 16,000 to 18,000 cases per day.

The company has established an enviable reputation for its products, for which a nation wide trade exists. The former management will be maintained.

It is the opinion of the management that the volume of business over the ensuing 12 months should be at least 1,500,000 cases, in which event, on the basis of production costs shown, the net profits to the company should be in excess of $750,000.

It is the intention of the company to make application to list the shares on the unlisted department of the Toronto Stock Exchange and on the Montreal Curb market.

Details of the issue follow:

100,000 Shares
Carling Breweries, Limited

History—Incorporated June, 1927, for purpose of acquiring as going concern the plants, business, trade marks, trade names, goodwill, etc., of the Carling Export Brewing and Malting Co., of London, Ont.

Properties—Plant is modern and complete in every detail. It has a brewing capacity of 1,200 barrels a day and a bottling and shipping capacity of 16,000 to 18,000 cases per day with ample storage facilities.

Products—The company has an enviable reputation for the quality of its products with a well-established trade throughout Canada.

Management—Present management are under contract for three years.

Production Costs—Manufacturing costs are less than $1.75 a case for malt beer and $2 a case for rice beer.

Earnings—For ensuing year volume of business is estimated at 1,500,000 cases, in which event net proceeds should be in excess of $750,000.

Capital—No par value common stock, authorized, 200,000; issued 160,000. No bonds, no preferred stock.

Listing—It is the intention to list stock in the unlisted department of the Toronto Stock Exchange and on the Montreal Curb Market.

Offered—Doherty-Easson and Co., at a price of $27 a share.

DUE to our thousands of miles of private wires, reaching from New York to Porcupine, from Windsor to Montreal, centred in Toronto and tapping all the important mining camps, we are able to offer you—1,000 miles distant from the market or the mines—the same instantaneous brokerage service or opportunity of securing news.

Where previously such service took days, and in some cases even weeks, now it is a question of seconds. When any important development occurs at any of the mines, and markets move, you must be in a position to act quickly. It has been our endeavor to bring these two factors together so that our clients will have full use of these facilities for market purposes.

That we have been successful in at least some degree is evidenced by an ever increasing clientele, and the broadening of our chain of offices to 16 important centres.

"Moysey Service" brings the mines and markets of Canada as close to you as your telephone. If you have not already become acquainted with this Service, we suggest you do so now.

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(Market Entrance Next to Royal Bank Arcade).
Direct Private Wires to
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NORTHERN LIFE IS INSTITUTION LONDON OWNED

C. R Somerville, R. C. MacKnight, Direct Affairs of Growing Company

ASSETS INCREASING

Expected Assurance Company Will Have $40,000,000 in Policies in Force by End of Current Year

One of the reasons that London continues to grow as a financial center is to be discovered in the reason that the Northern Life Assurance Co. of Canada continues its head office in London.

Two years ago there was a fight for the control of the Northern Life Insurance Co. The Company was sound because it had had to maintain the government standards of reserves and investments in the previous twenty years of its existence and seventeen years of active business. But in the readjustment of the affairs of the late T. H. Verdom, it became evident that new interests would control the Northern Life.

In the first instance it was proposed to sell the company, lock, stock and barrel to the Sun Life. This would have meant that the head office would have been moved from London. The Dominion superintendent of insurance decided that the amalgamation was not essential, in the interest of Northern Life. The next proposal was that there be an amalgamation with the Ontario Equitable, with head offices at Waterloo. This also would have meant the removal of the head offices from London.

Stays in London

A group of men interested in the financial growth of London stepped into the picture and acquired control of Northern Life. C. R. Somerville, the president, is one of the outstanding men of the city and district, is a vice-president of the Ontario Loan & Debenture Co., and a member of the board of governors of the University of Western Ontario.

It is said of Mr. Somerville that he cannot neglect any job he approaches. When he became president of the Northern Life it was expected that the position would take but little of his time. But visitors find him keeping regular office hours. He watches carefully the investments of the company. The losses from misplaced mortgages have been kept at a reasonable minimum under his direction in the last two years.

R. C. MacKnight is the general manager of Northern Life. He was general manager in the old days and is responsible for the company having maintained a steady rate of sound growth. He was not in office for a few months in the hiatus of two years ago when there was a fight for control of the company. But he is back, directing the energies of the company in seeking new business. By the end of the present year, Northern Life will have $40,000,000 of insurance in force. This will be more than 20 per cent. increase in one year.

Growth is Rapid

The rate of growth of this company is shown in the following table:

Progress of Northern Life

Year	Total Income $	Paid to Policy-holders $	Total Assets $	Ins. in Force $
1900	70,315	11,837	253,894	2,065,200
1905	174,806	20,782	586,587	4,673,488
1910	319,849	43,957	1,435,830	7,009,599
1915	511,155	99,545	2,522,375	10,401,232
1920	955,393	262,814	3,656,985	22,190,672
1925	1,228,655	529,761	5,461,791	27,800,777
1926	1,404,596	533,053	5,747,774	33,019,527

Besides the experienced president and the capable general manager in Mr. Somerville and Mr. MacKnight, the company is operating with the advantage of an exceptionally strong board of directors:

Directorate is Able

Col. Arthur T. Little is president of Robinson, Little & Co., London and Winnipeg; president of the London & Western Trust Co., and chairman of the board of governors of the University of Western Ontario.

R. G. Ivey is vice-president of the London Street Railway.

Ray Lawson is president of Lawson & Jones, Ltd., London and Montreal; president, McMahen, Granger & Co., Ltd., and president, London Shipping Containers.

J. E. McConnell is president of McConnell & Ferguson, Ltd., London, Toronto, Montreal, Winnipeg and Vancouver; director Bonner-Heddle Co., St. Catharines.

John S. Moore is manager of the London & Western Trusts Co.

Frank A. McCormick is president of Canada Biscuit Co.

Major Gordon J. Ingram is president of Smallman & Ingram; member of board of governors of the University of Western Ontario.

W. E. Robinson, financier, is a director of the London Loan Co. and director of Consolidated Trust Co.

OLD HURON & ERIE HAS EXPANDED TO NATIONAL COMPANY

(Continued from page 17)

which is $1,200 higher than in 1925. Comparative figures follow:

Profit and Loss

	1926 $	1925 $	1924 $
Profits	574,014	572,815	571,914
Taxes	45,573	60,068	57,677
Premises	15,000	15,000	13,000
	60,573	75,068	70,677
	513,441	479,747	501,237
Distribution—			
Dividends	375,000	375,000	375,000
Reserve	123,920	100,000	100,000
Balance	14,521	22,747	26,237
Prov. bal.	74,685	51,938	25,701
P. & L. bal.	89,206	74,685	51,938

Twelve Years' Record

	Paid-up Capital	*Net Profits	Div.	% Prof. av. Cap.	†Earn Rate
1926	$5,000,000	$513,441	7½	10.2	6.9
1925	5,000,000	497,747	7½	9.9	7.2
1924	5,000,000	501,237	7½	10.0	7.4
1923	5,000,000	500,458	7	10.0	7.5
1922	5,000,000	521,482	7	10.5	8.0
1921	5,000,000	531,444	6+1	10.6	8.4
1920	5,000,000	505,943	6+1	10.1	8.2
1919	5,000,000	496,737	6	9.9	8.2
1918	2,500,000	452,493	12	18.0	8.0
1917	2,500,000	430,577	12	17.2	7.8
1916	2,500,000	422,012	12	16.9	7.8
1915	2,458,415	411,493	12	16.9	7.9

*Taxes and amount written off premises deducted.

†Per cent. on average capital, reserve and balance at beginning of year.

Assets increased by over $8,000,000, and now stand at $39,558,364; savings deposits are now $8,647,000, comparing with $6,960,000, and Canadian debentures have increased from $15,065,000 to $19,931,000. Sterling debentures are also higher. It is explained that the growth in deposits and debentures would have been $3,450,000, even without including the Hamilton Provident & Loan Corporation figures.

Among the assets, mortgage investments total $31,512,105. No real estate, apart from office premises and properties taken over from the Hamilton company, was being carried at the end of the year.

A bonus of half per cent. on stock has been declared again, making the year's rate the usual 7½ per cent.

LONDON FOLK NOW TRADE LARGELY IN CANADIAN STOCKS

Character of Investment Business Has Changed in Few Years

A glance at the map explains in large measure why residents of London until recent years have been more largely interested in the New York stock market than in the Canadian market. London is within easy reach of the border by rail, and highway and the investment interests of Londoners have been largely in the United States.

This situation has been changed materially in the last few years. Bond salesmen from Toronto and Montreal discovered London because of the investment created by the two insurance companies having their head offices in London. The insurance companies, for obvious reasons, always have been concerned with Canadian investments. Gradually the circle of interest in Canadian investments by private individuals has grown, until at present, as is noted in another column, it is estimated that $5,000,000 of stocks and bonds are sold in the district every month. It is doubtful if any other district in Canada invests at this rate per capita.

Recreational Facilities Make For Happy Community Life

London has a splendid system of playgrounds, where facilities are provided for old and young for every variety of sport. In Thames Park is a fine swimming pool, frequented by hundreds of children daily. In this park, as well as other parks of the city, are concrete tennis courts, which are usually crowded. London, in addition to having two private golf courses in the London Hunt and Country Club and the Highland Golf Club, has a splendid municipal course called the Thames Valley Golf Club. Baseball, cricket, lawn-bowling, curling, hockey, in fact every game played by Canadians has its devotees in London.

While London is not located on the lake, the city owns its own railway lines, one of the best radial systems on the Continent, giving fast and cheap service to Port Stanley, London's own lake port. Here there is a magnificent bathing beach and the finest summer resort on Lake Erie. There is a daily steamer connecting with Cleveland, 75 miles across the lake.

MICROCOSM OF CITY LIFE

"London," declared R. H. Coats, Dominion Statistician, in an analysis of the last decennial census, made in 1921, "is a microcosm of Canadian city life, one of the most typical of Canadian cities, a community backed and surrounded by a prosperous agriculture, to which it sells and for which it manufactures, at the same time reaching out to the markets of the world. London is the commercial capital of Western Ontario, as rich an agricultural country as exists in Canada—or anywhere else."

CONFIDENCE

Since its inception, this organization has adhered strictly to the sound principle of doing only a straight commission business, never participating in promotions or underwritings of any kind and using every effort to give its clients an unexcelled service. We do not in any way attempt to influence you in your decisions and your orders will be executed promptly according to your instructions. If, on the other hand, you ask our advice you will get an honest and unbiased opinion. The confidence of the public in such a policy is reflected in the increase in our business year after year. Your investment problems may be safely entrusted to

Jones Easton McCallum Co.
LIMITED
Investment Brokers
Established 1919
319 Richmond St., London, Ont.
Telephones Metcalf 213 and 294

Beddome Brown Cronyn & Pocock

LONDON, ONTARIO

V. P. CRONYN PHILIP POCOCK

Writing All Classes of Insurance

Established 1850

"A London Firm with a Dominion Wide Business"

Even Before Confederation

The Huron & Erie MORTGAGE CORPORATION

was a trusted institution with the Canadian people

Capital paid-up $5,000,000 Reserve $2,350,000 Assets over $42,000,000

HEAD OFFICE—LONDON, CANADA BRANCHES IN FIVE PROVINCES

London (four), Toronto, Hamilton, Windsor, St. Thomas, Chatham, Winnipeg, Regina, Edmonton and Victoria

T. G. MEREDITH, K.C., Chairman of the Board HUME CRONYN, President M. AYLSWORTH, General Manager

University of Western Ontario, at London Offers Educational Opportunity for Men and Women

In 1878 the University was established by Bishop Hellmuth of the Diocese of Huron.

In 1908 the University became undenominational and coeducational, and was placed under provincial, municipal and public control.

In 1923 the name was changed from "The Western University of London, Ontario," to its present form; the University constituency was defined as the fourteen counties of Western Ontario, namely, Essex Kent, Elgin, Norfolk, Lambton, Middlesex, Oxford, Brant, Huron, Bruce, Grey, Perth, Wellington and Waterloo; and the Lieutenant-Governor of the province became the Official visitor.

The University has three faculties:

(a) A Faculty of Arts,
(b) A Faculty of Medicine.
(c) A faculty of Public Health.

The University has five affiliated colleges:

Huron College.
Assumption College.
Ursuline College.
Waterloo College.
Alma College.

The University conducts an active extension department. From one hundred and fifty to two hundred topical, serial and group lectures have been given each winter by members of the regular teaching staff to groups of adults and high school pupils throughout Western Ontario. Members of the Faculty of Public Health have given course lectures to nurses in training in various hospitals. Through the kindness of The London Free Press radio talks have been broadcasted at stated periods. Adult classes in English literature, elementary English, economics, sociology, parliamentary law, public speaking, Canadian history, industrial history, etc., have been conducted for several years, with an average annual attendance of one hundred and sixty five. The groups usually meet for two hours one night a week.

The university is ready to co-operate with any organization or group that may desire assistance in promoting adult education.

In the year 1920-21 the enrolment of regular students in the university was three hundred and sixty-three. In 1926-27 it was nine hundred and nineteen. In addition the nurses in training in the London hospitals, approximately one hundred and fifty, each year, have received professional and technical instruction from the university staff.

More than one hundred teachers in Western Ontario schools are taking degree work in the University Summer School, and are completing their courses extramurally.

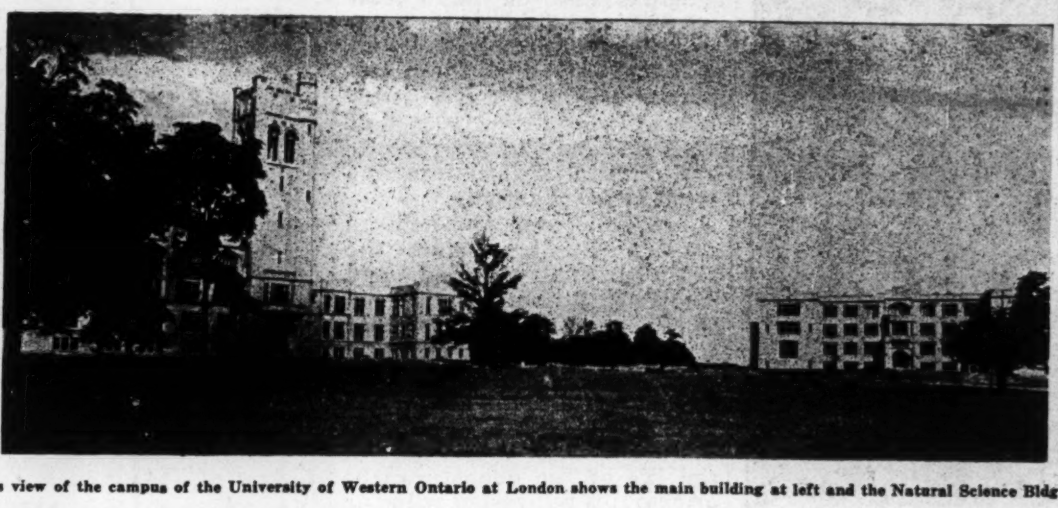
The university is affiliated with the University of Cambridge, England.

The Faculty of Arts offers general and honour courses covering a wide range of subjects and providing a choice of options. Courses are offered in botany, chemistry, classics, commercial economics, economic and political science, English, French, geology, German, government and law, Greek, Hebrew, history, Italian, Latin, law, library and secretarial science, mathematics and astronomy, philosophy, physical and military training, physics, public health, religious knowledge, Spanish and zoology; also special combination courses: e.g., mathematics and commerce, chemistry and commerce, physics and commerce.

The Faculty of Medicine has a long and illustrious history. The Medical School building is admirably located for its purpose and is adequate and up-to-date in every detail. The clinical facilities are excellent. The medical course is six years. Post-graduate work is offered leading to the degree of Master of Science. Graduates in medicine have been exceptionally fortunate in the Dominion and Ontario Medical Council examinations.

The Faculty and Institute of Public Health was established in 1912 for the purpose of giving aid in medical education and for instructional and practical work in public health. The Institute serves one hundred and eighty-two municipalities annually, representing a population of about nine hundred thousand. More than twenty-nine thousand analyses were made last year. The members of the staff conduct pathological and bacteriological work for the Ontario Hospital, Victoria Hospital, St. Joseph's Hospital, City Board of Health and the D.S.C.R. in London; also for hospitals in other Western Ontario municipalities. Courses in the Institute are offered to post-graduate candidates and to under-graduate students. A correspondence course in Public Health for teachers was begun in 1925.

University Campus is Pleasing Prospect



This view of the campus of the University of Western Ontario at London shows the main building at left and the Natural Science Bldg.

The practise of employing highly trained men is becoming a settled policy in business. The time is at hand when, except in rare instances, the chief place will be occupied by the university trained man. Many of the larger commercial and industrial institutions are already acting on this assumption. It is because the University is helping to meet this need that it is gaining so rapidly in popular favor.

The University College of Arts building occupy a site of two hundred and sixty acres—one of the most beautiful sites of the kind in Canada; the buildings belong to the collegiate gothic type of architecture and are constructed to last for many years.

The university depends on the City of London and on the Ontario Government for annual grants.

Educational Facilities

London is an educational centre of the highest order, and provides adequate facilities from kindergarten to university. The modern professional and industrial opportunities for training, in keeping with the needs of the day, are as fully met in London as in any other Canadian city.

London has: 23 modern public school buildings, strategically situated to serve each neighborhood to the best possible advantage; 3 high schools; schools of household science; schools of manual training; technical and art school (day and evening classes); 9 separate schools. The city also gives evening matriculation classes. A normal school is in operation, and it is the location of the University of Western Ontario.

The health of all scholars and students is carefully guarded by medical and dental inspection, and by the provision of nurses in all schools.

St. Peter's Seminary

London has been steadily developing into an education centre of importance and an important factor in this regard has been the development of a number of important institutions of learning fostered by Bishop M. F. Fallon of the Catholic Diocese of London.

The Catholic educational institutions of London now rank with the best of their kind in the Dominion. Associated with the Western University is St. Peter's Seminary, a striking structure in the north end of the city, a short distance to the east of the University. On the other side of the University is a large girls college and which has drawn a large number of students to the city. It also is associated with the University.

Both the Seminary and girls college are largely attended. There are in addition in the city, a number of other Catholic institutions of learning, including a catholic high school for boys under the direction of the Christian Brothers and a similar institution for girls, under the guidance of one of the orders of the sisterhood. In all the catholic educational institutions have played an important part in bringing the city to the front as a centre of learning.

London is Centre of Western Ontario Postal Dist.

London is not only the geographical centre of Western Ontario, but also the headquarters of the postal district, including post offices and railway mail service, in which it is located.

The district includes the eighteen counties, in which there are 506 post offices, and supervises over 1,200 mail contracts exclusive of the railways.

In the district are operated 820 rural routes, serving 57,689 boxes, which is over 21 per cent. of the total number of routes and almost 25 per cent. of the total number of rural boxes served in the Dominion, over 200 more rural routes and over 22,200 more boxes than the next highest number in any other postal district.

There are nine rural routes starting at London and serving 821 rural boxes. Within 10 miles of London there are 2,466 boxes served by rural mailmen and within 20 miles of London, a total of 6,300 rural boxes are served. In addition there are within 20 miles of London over 6,700 families receiving mail through general delivery or call boxes, and over 22,000 householders and business places in London and St. Thomas.

ACTIVE CHAMBER OF COMMERCE

One of the distinctive economic assets to London is its modern Chamber of Commerce, representing the community organized to give practical service to all considering London as a desirable place in which to establish a substantial industry and to aid in the progress of the city through the development of established industries.

LONDON IS FREE FROM EXTREMES IN TRADE CYCLE

Diversity of Industry Among Factors Favoring Middlesex County

London in recent years has been singularly free from the extremes of commercial and industrial depression that have affected other centres.

There are several reasons for this fortunate condition. The primary one is that there is a diversity of industry within the city and a farming community outside which never has known a complete crop failure. Further than this, London is the head office and main factory of most of its industries, and, as is pointed out elsewhere, the head office and main factory usually are the last to be curtailed or closed in times of depression.

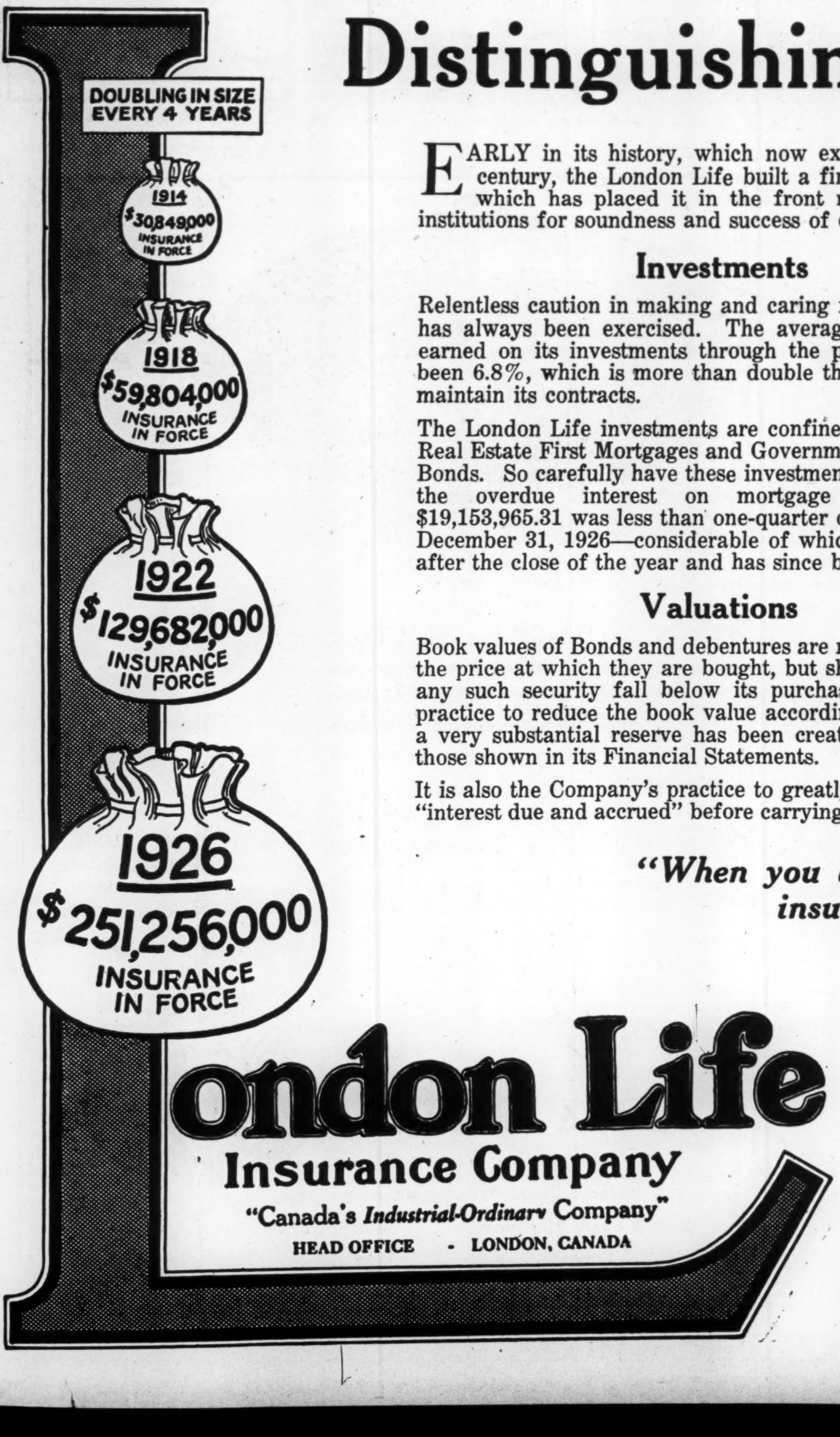
Another factor, less apparent but no less potent, is that the financial atmosphere of the community, while progressive, is conservative. It is lack of conservatism which makes for extremes, both in the direction of expansion and of contraction. London grows steadily, but it has never been boomed unhealthfully.

Extensive Bus and Truck Service Radiates From London

London is the hub of the provincial highway system in Western Ontario. Both as regards express and freight by truck, London has excellent facilities because of its location on the main highway and International Highway, both permanently paved and connecting Sarnia, Hamilton, Niagara Falls, Windsor, Toronto, etc.

Added to the accessibility of London is the regular and frequent daily motor bus service maintained between this community and many other municipalities, including Lambeth, Lucan, Seaforth, Belmont, Granton, Forest and Parkhill.

Distinguishing Financial Features



EARLY in its history, which now extends over half-a-century, the London Life built a financial foundation which has placed it in the front ranks of financial institutions for soundness and success of operation.

Investments

Relentless caution in making and caring for its investments has always been exercised. The average rate of interest earned on its investments through the past ten years has been 6.8%, which is more than double the rate required to maintain its contracts.

The London Life investments are confined almost solely to Real Estate First Mortgages and Government and Municipal Bonds. So carefully have these investments been made that the overdue interest on mortgage investments of $19,153,965.31 was less than one-quarter of one per cent. at December 31, 1926—considerable of which fell due shortly after the close of the year and has since been collected.

Valuations

Book values of Bonds and debentures are never raised above the price at which they are bought, but should the value of any such security fall below its purchase price it is the practice to reduce the book value accordingly. In this way a very substantial reserve has been created in addition to those shown in its Financial Statements.

It is also the Company's practice to greatly reduce the asset "interest due and accrued" before carrying it into its Reports affording a further substantial provision for investment contingencies.

Special Emergency Funds

Various emergency funds are maintained for the protection of the business in times of stress. The purpose for which these funds are accumulated was illustrated during the Great War and the Influenza Epidemic, when the Company was able not only to maintain its high rate of dividends to policyholders, but to increase them. These are true emergency funds, all ascertainable liabilities having been first fully provided for.

Reserves Established Early

The Dominion Insurance Act permits a spreading of the cost of securing business over a period of years. The London Life, however, sets up immediately full reserves from the inception of each policy, drawing the initial expense mainly from surplus.

Results to Policyholders

Dividends to policyholders have been paid on an exceedingly liberal scale, almost without equal on the North American continent—and this scale has been increasing, every increase being maintained. Dividends to policyholders were further increased at the beginning of the current year.

These important practices have brought about the prominent position the Company now enjoys, and has made possible the rapid growth in recent years.

"When you buy life insurance you are buying an insurance company's investments."

Directors and Officers

President
A. O. JEFFERY, K.C., LL.D., D.C.L.
Barrister, Solicitor, etc.

Vice-President
W. M. SPENCER
Director, London Street Railway

T. W. BAKER
Dyment-Baker Lumber Co.

A. M. SMART
President, Ontario Loan & Debenture Co.
Vice-President, McClary Manufacturing Co.

General Manager
EDWARD E. REID, B.A., A.I.A.
Medical Director
ANGUS GRAHAM, M.D.

WM. GORMAN
President, Gorman, Eckert & Co.

H. S. BLACKBURN
Local Master, Supreme Court of Ontario

Secretary
J. S. LOVELL, A.C.I.S.
Solicitor
J. E. JEFFERY
Superintendent Ordinary Agencies
J. G. STEPHENSON

Vice-President
J. G. RICHTER, F.A.S.
Director, Ontario Loan & Debenture Co.

J. E. JEFFERY
Barrister, Solicitor, etc.

A. McPHERSON
Formerly Senior Partner, Elliott, Marr & Co.

Actuary
J. D. BUCHANAN, B.A., F.A.S.
Superintendent of Industrial Agencies
J. F. MAINE

HUME CRONYN IS ONE OF LEADING LONDON CITIZENS

Huron & Erie, Canada Trust Owe Much of Success to Him

Major Hume Cronyn is one of the outstanding citizens of London.

He is vice-president and general manager of the Huron & Erie Mortgage Co., manager of the Canada Trust Co., president of the Mutual Life Assurance Co., Waterloo, a past-president Dominion Mortgage & Investment Association, and former member of parliament (Unionist, 1917-21).

The record of his business achievements identifies Major Cronyn positively as among the leading citizens of the financial city of London, Ont. The Cronyns play a large part in the business and social life of their home city, and their popularity is widespread.

Major Cronyn himself is a democrat, as are most successful men, and he gives one the impression of a man of great dynamic force who has mellowed with years and experience. In the middle of a busy day he spared half an hour to chat over the affairs of the Huron & Erie, pioneer days in western Ontario, winter on the prairies, the immigration problem, and declining interest rates.

Views on Immigration

"It is not much use to the country," said Major Cronyn, "to dump into a prairie town men and women who are merely pseudo-farmers, or, at best, men who have little or no knowledge of farming in this country, whatever may have been their training in the old country. There are various schemes whereby we can promote immigration of men and women of British stock, but doubtless the best is that which contemplates the translation of boys and girls. They make the best immigrants because they learn how to live in this country in the years when learning is easiest and when earning necessities are slight.

"I do not mean that we should encourage the immigration of boys and girls who will be placed out singly, or in twos or threes, on farms with strangers, where they are likely to have a rough time. It is difficult to say what the results are in such instances. There are many farmers, doubtless, who look after the boys as well as they are able, but there have been a sufficient number of hard cases come to public knowledge to lead one to wonder if the plan is a practicable and a humane one."

Major Cronyn recently has become interested in a plan adopted with some success in Australia whereby young boys from Britain are trained in practical farming in schools established in farms.

Added to its bank deposits, the volume of business done, the number of industries which it has, and the general material prosperity are those things, such as health, libraries, city planning, recreational facilities, etc., which attract and hold employees to the city, London is foremost in all which tends towards progress. There is also the realization that there is a spirit in London which keeps the city a leader in all those things that make for a better community.

PUBLIC UTILITIES

MINING STOCKS

BONDS

Toronto Securities Company

65 Adelaide St. East TORONTO

Winnipeg London

ENQUIRIES INVITED

HUME CRONYN,
Head of Huron & Erie and Mutual Life is concerned with Canada's need for more population.

LONDON LOAN CO. HISTORY EXTENDS OVER 50 YEARS

Over Fifty Years Service in Loan Business—Profits Drop

For over fifty years, the London Loan & Savings Co., of Canada, has been carrying on a loaning business in London and encouraging the accumulation of capital so that it might be supplied on easy terms of repayment upon approved securities in the form of real estate mortgages, and also to carry on the business of a savings company. Corporation papers were taken out in 1877, at the time when building loan institutions were being rapidly formed in all the larger centres of the Dominion.

Sixteen years after its establishment, the company was amalgamated with the Royal Standards Savings Co., and in 1913 it bought the assets of the Imperial Loan and Investment Co., of Toronto, so that to-day the London Loan and Savings Co. has practically all its investments within the province, and, in addition is a large shareholder in the Huron and Erie Mortgage Corp., and also in the Ontario Loan and Debenture Co.

At the end of 1926 assets were slightly over $3,000,000. Capital paid up at the same time totaled $891,571, against which there was a reserve fund of $440,000. The last balance sheet shows assets of over $2,000,000 in mortgages, real estate held for sale and office building. Loans on bonds and stock, securities held, etc., total over $700,000, while cash in banks and on hand total $65,890. Liabilities to the public, on the other hand, amount to $1,665,734, and to the shareholders $1,340,814. The latter item includes a reserve fund of $440,000, and a balance of $9,243 carried forward from the profit and loss account.

Connections established in the Old Country before the war, are still retained, and many of the outstanding debentures are held on the other side. This type of paper is very popular with investors in Scotland, England and Canada, and it is noteworthy that on the expiration of the life of the debenture, the principal is reinvested with the company. Thus the resources of the company suffer little from withdrawals.

The company has not met with uniform success in recent years, and last year did not earn its dividends.

Management of the London Loan and Savings Co. has been unchanged for many years. G. G. McCormick is president; Thomas Baker, first vice-president; W. E. Robinson, second vice-president; Chas. R. Hunt and M. J. Kent, directors; and John H. Hambly, acting manager.

Distribution of Earnings

	1924	1925	1926
Profits	$ 72,626	$ 76,611	$ 63,655
Tax reserve	......	10,000	10,000
	72,626	66,611	53,655
Dividends	62,409	62,410	62,410
Reserve	10,000	......	......
	217	4,201	x8,755
Previous balance	3,580	3,796	7,997
P. & L. balance	3,797	7,997	x758

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p. c.	Dividend
1913	$839,227	$ 97,552	12.4	6+2
1914	857,224	101,697	12.0	6+1
1915	882,889	117,817	13.5	6+1¼
1916	884,283	81,225	9.2	6
1917	887,398	35,429	4.1	6+1
1918	887,849	83,920	9.5	6+1
1919	888,321	83,121	9.4	7
1920	891,383	81,125	9.2	7
1921	891,444	73,191	8.2	7
1922	891,539	74,068	8.3	7
1923	891,539	71,349	8.0	7
1924	891,571	72,626	8.1	7
1925	891,571	x66,611	7.4	7
1926	891,571	x53,655	6.0	7

x Tax reserve deducted.

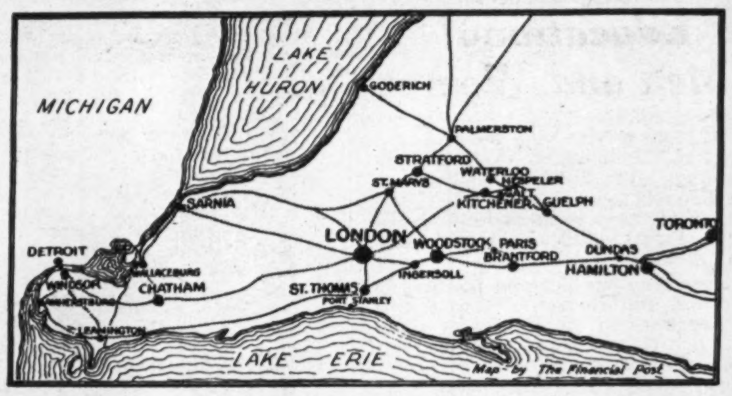
Chinese Theft of $60 Nets Victim Real Profit

It is said of the late Charles F. Hyman that he made $20,000 because a Chinese boy stole $60 from him.

Mr. Hyman was in China and decided to sell certain shares in an American industrial company. He wrote a cable message and despatched it to a telegraph office with a Chinese youth to whom he gave $60 for payment of the toll and other charges. The Chinese youth decided that the message was not worth sending and kept the $60.

When Mr. Hyman returned to London he questioned about his shares. His associates in London had not, of course, received the cable and had not, for lack of instruction, sold the shares. And thus Mr. Hyman profited by $20,000, for the market value of the shares had appreciated by that much from the time of the $60 theft

Map Shows Why London Draws Trade



London is the center of a thriving section of Ontario. Agriculture, industry, railways, highways, help to enhance importance of city.

John S. Moore is Executive Who Knows the Details

Ther is a lot of talk nowadays about the desirability of executives keeping away from the details of business. The fact remains, however, that a great many men who make a success of a business know it from the ground up and personally do a great deal of work. The expenses of E. W. Beatty's office—the C.P.R. president—are said to be lower than those of any railroad president on the continent. In other words, while Mr. Beatty has this huge road in charge, he personally does a lot of the actual work of his office, not delegating it to assistants. John S. Moore, general manager of the London and Western Trust—in his field—seems to have the same attitude toward his work.

Mr. Moore has personally attended to very many of the larger estates that have come under the control of the London and Western Trust Company. He finds time personally to get out into Western Ontario and to see people whose business is desirable for his company. Day by day he does a great deal of work and yet he finds time for outside interest. It is open to question if Mr. Moore does not work too hard, but certainly the work he was able to do on the London Hotel promotion had a great deal to do with the success of this needed enterprise.

After the first efforts to launch the hotel had lost their headway; after there had been discussions, more or less heated, as to the proper location for the hotel, a group of men who had the interests of the city very much at heart took hold, and, of this group, Mr. Moore was one of the big organizers and one of the leading salesmen. It must be with a very real degree of satisfaction that he sees this new hotel nearing its day of opening.

London Facts

Population—over 66,000.

Area—over 10 square miles. In acres 6,423.

Total Assessment—over $75,000,000.

Annual Building Permits—$3,000,000.

Annual Bank Clearings—over $150,000,000.

Annual Customs Receipts—over $3,000,000.

Annual Postal Revenue—over $500,000.

Real Estate Transfers—$5,000,000 yearly.

Sixth Canadian Manufacturing City.

Manufacturing plants number 464.

Capital invested in industries — over $36,000,000.

Annual industrial production — over $48,000,000.

Number of people employed in industries—11,214.

Annual industrial pay roll—over $12,000,000.

Fourth banking centre of Ontario.

Eight chartered banks, 29 branches.

Nine loan, savings and trust companies.

Head offices two large insurance companies.

Second wholesale distributing centre of Ontario.

London Post Office tenth in Dominion.

Largest mail distributing centre in Canada.

Important educational and ecclesiastical centre.

Seat of the University of Western Ontario.

Twenty-five public schools, eight separate schools.

Three Collegiate Institutes, Normal School, Technical and Commercial High School.

Wide streets—beautiful homes—high percentage of home ownership.

Modern supervised municipal motor camp, ideally located, sanitary and cooking conveniences, hot shower baths, laundry and swimming pool. Motor and Tourist Camp—Approved, Ontario Department of Health.

Two Cathedrals, St. Paul's (Anglican) and St. Peter's (Roman Catholic).

Seventy-seven other churches.

Three large parks, three golf courses, tennis clubs, etc.

Ideal summer resort at Port Stanley—excellent bathing beach.

Centre of main Provincial and International Highways.

A fine city in which to live—establish a business or spend a vacation.

Advertising Plays An Important Part in the Progress of London

IN PREPARING and directing the advertising of leading London industrial and financial concerns we are contributing an important part to the development and success of London as a whole.

London clients of the Federal Advertising Agency Ltd.

London Life Insurance Company
Huron & Erie Mortgage Corp'n.,
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C. A. Mann & Company
A. B. Greer & Son
E. Leonard & Sons, Limited
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Scott & McHale Limited
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London Hotel Company
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Wm. Ward & Company
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Federal Advertising Agency Limited

London Hamilton Toronto

The London Free Press

Western Ontario's Foremost Newspaper

Every morning and evening, six days a week, the Free Press reaches over ninety per cent. of the homes in London and most of the homes in the surrounding country.

Keep abreast of the times—read the London Free Press Financial Page, which carries daily the latest information from the markets of the world.

George E. Harley & COMPANY

GEORGE E. HARLEY & COMPANY offer to London and Western Ontario investors a complete and comprehensive brokerage service.

We invite you to share in the many advantages which our special facilities provide.

Metcalf 682

STOCK BROKERS

Direct Private Connections with New York, Chicago, Toronto, Montreal and Winnipeg

Royal Bank Chambers London, Canada
Toronto Windsor

Members Toronto Stock Exchange

LONDON LOCATION FOSSESSES MANY VITAL ADVANTAGES

Through Port Stanley, City Has Excellent Water Facilities

London is situated midway between Toronto and Detroit; midway between Buffalo and Detroit; 23 miles from Lake Erie, connected by its own railway; opposite to and 98 miles across Lake Erie from Cleveland, Ohio; 111 miles east of Detroit; 573 miles west of New York City; 140 miles west of Buffalo; 119 miles west of Niagara Falls; 384 miles east of Chicago; 114 miles west of Toronto; 62 miles east of Port Huron; 443 miles west of Montreal; 1,313 miles east of Winnipeg.

It is admirably situated for trade and commerce, is the centre of Canada's greatest economic area, and the centre of population having Canada's greatest purchasing power. This means that the market for a large quantity of the commodity in which you are particularly interested is at its doors.

London's strategic location accounts, in part, for the great diversity of products manufactured in the city. Manufacturing concerns producing household commodities sell up to 85 per cent. of their output within a 125 mile radius of London.

Transportation

London's strategic location is significant both for the distribution of finished products and for the concentration of raw materials while its transportation services give to manufacturers advantageous rates for the receipt of necessary raw materials for manufacture and the shipping out of products fabricated in the city.

Special attention is directed to the superiority of London for the assembling and distribution of general merchandise. In point of tonnage, London, as a railroad divisional point, leads with a greater amount of traffic than obtains in most other Canadian railway centres. No city in Canada can offer quicker despatch than is obtainable at London, and as a distributing point for Ontario, Quebec, and the Dominion generally, London is superior to most centres.

Shippers from London are able to do their business with the same transportation company for the entire routing of their products by rail or water either to eastern or western destinations in the British Empire or most foreign centres.

Transportation facilities include the main and many branch lines of the Canadian National Railways, the main line of the Canadian Pacific Railway, and direct connection over the city-owned and operated London and Port Stanley Railway with the Wabash, Michigan Central—operating their own terminal in London—and Pere Marquette Railways. Branch lines radiate from this centre throughout the Peninsula, and the city-owned and operated railway connects with London's harbor on Lake Erie—Port Stanley — ensuring equitable freight rates on the railway lines by providing a competitive water route, and gives direct connection with lake transportation to the United States and Canadian lake ports. Montreal freighters, Conneaut car ferries, and freight and passenger lines from Cleveland are among the steamship advantages of this port.

City Owns L. & P. S.

The London and Port Stanley electric railway, owned and operated by the city, is one of the most modern on the continent. Hourly passenger service is operated from 5.00 a.m. to 11.30 p.m. daily, giving close connections with all trains on all other railways. Passengers and baggage are ticketed through to all destinations.

It links up the Canadian National, Canadian Pacific, Pere Marquette, Michigan Central and the Wabash Railways, all of which operate passenger, express and freight service from and into London, most expeditiously, to and from all points on the lines of these railways and their many connections in Canada and the United States The New York Central lines, for instance, carry one-tenth of all tonnage in the United States, and touch all industrial points from all points. Inbound shipments to London are well served.

During the summer months daily freight and passenger service is maintained by the Western Reserve Navigation Co. between Port Stanley and Cleveland; the steamer "City of St. Ignace," with cabin accommodation for 400 passengers and 1,000 tons package freight, leaves Port Stanley at 12.30 noon, daily, arriving at Cleveland 6.00 p.m.; leaves Cleveland midnight, daily, arriving at Port Stanley 6.30 a.m.

London has a switching arrangement between all railways which ensures interswitching of freight without extra charge between any of the railroads operating in the city, providing consignments are to or from competitive points.

London is the hub of the provincial highway system in this section of Ontario. This is of the utmost importance to industrial concerns since more and more transportation by motor truck is entering into the distribution of manufactured commodities. Both as regards express and freight by truck, London has unsurpassed facilities because of its location on the main provincial highway and international highway, both permanently paved, and connecting Sarnia, London, Hamilton, and Niagara Falls, Windsor, London, Hamilton and Toronto. Local manufacturers ship east, west, north and south by truck. Those who use this service are enthusiastic about it.

Added to the accessibility of London is the regular and frequent motor bus service maintained between this community and many other municipalities, including Lambeth, Lucan, Seaforth, Belmont, Granton, Forest, Parkhill. Street car and bus service connecting every section of the city aids materially in providing convenient transportation facilities for employees to their work.

Through pullman cars to and from Detroit, Toronto, Niagara Falls, Buffalo—within three hours travel time from London—Chicago, Montreal, New York City, Boston, and other important cities—with twelve hours travel time—facilities with convenience and ease travelling to and from London.

All fully equipped trains are through trains arriving in and departing from London on a studied schedule of convenient hours.

Is Keen Investor

J. G. RICHTER,, Vice-President, London Life Insurance Co.

Canadian Woodmen Head Camp in London

Among the important investment institutions of London is the head camp of the Canadian Woodmen of the World. This order is maintained in a healthy state and is making steady progress, according to reports of various officers and committees at the annual meeting a year ago.

The three-year comparative statement follows:

	1923 $	1924 $	1925 $
Office Building..	22,000	22,000	22,000
Mortgages	289,058	317,405	329,896
Bonds and Deb. ..	945,976	998,562	1,115,333
Cash	40,507	33,536	28,784
Trusts and Guarantee Inv.	50,000	50,000	
	1,347,541	1,421,504	1,496,014
Deduct Excess of Book Val. over Market Value..	7,300	....	....
Add Excess of Market Value over Book Val..	....	11,067	15,066
	1,340,240	1,432,572	1,511,080
Other Assets	29,251	32,060	24,868
Premiums, Liens Outstanding ..	30,290	28,386	28,356
	1,399,782	1,493,018	1,564,306
Liabilities	1,203,019	1,241,808	1,295,456
Surplus	196,763	251,210	268,850
Increase	28,342	54,447	17,639

Canada Trust Progresses Under Huron and Erie

The Canada Trust Co., organized in London, Ont., in 1894, is controlled and managed by the Huron & Erie Mortgage Co. The principal figures concerning its activities follow:

Capital, $1,000,000; reserve, $750,000.
Undivided profits, $32,841.
Capital account, 1924, $1,788,388; 1926, $1,832,941.
Guaranteed account, $5,554,107. Estates in trust, $12,215,088. Total, $19,602,136.

Distribution of Earnings

	1924 $	1925 $	1926 $
Earnings	124,298	129,375	133,747
Taxes	16,955	20,527	18,048
Net profits	107,343	108,848	115,699
Distribution—			
Dividends	89,991	90,000	95,000
Reserve	......	25,000	......
	89,991	115,000	95,000
Balance	17,352	*6,152	20,699
Prev. balance	1,041	18,393	12.241
P. & L. balance	18,393	12,241	32.940

*Debit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p. c.	Dividend
1913	$672,732	$63,990	9.5	5
1914	1,000,000	101,068	10.1	6
1915	1,000,000	117,009	11.7	6
1916	1,000,000	121,692	12.1	6
1917	1,000,000	126,174	12.6	7
1918	1,000,000	125,319	12.5	8
1919	1,000,000	120,147	12.0	8
1920	1,000,000	144,873	14.4	8+4
1921	1,000,000	157,724	15.7	8+4
1922	1,000,000	83,629	8.3	8
1923	1,000.000	94,018	9.4	8
1924	1,000,000	107,343	10.7	9
1925	1,000,000	108,848	10.8	9
1926	1,000,000	115,699	11.5	9½

Western Ontario is Furnishing New Hotel

One of the first things stipulated by the securities company which undertook the senior financing of the new London hotel was that an experienced hotelman should be found who would agree to furnish the hotel at his own expense, and in return be satisfied with the common stock of the company. The committee finally got in touch with a successful hotel operator on the other side. J. J. McHale, chairman of the hotel committee, made a couple of visits to New York and signed up J. J. Lussier, who had operated hotels in Brooklyn, Utica and New York City.

Details of the agreement had to be settled by lawyers, and Mr. McHale, when asked to designate a London solicitor to act for Mr. Lussier, chose Albert H. Murphy, and the latter accompanied Mr. McHale on one of his visits to New York.

The contract with Mr. Lussier was signed last September, after which the hotel company considered itself warranted in proceeding with the remaining financing.

Mr. Lussier, back in 1913, was connected with the Mansion House, Brooklyn, and from 1915 conducted the Yates Hotel and Lussier Restaurant in New York City. Four years later he had charge of the Lussier Hotel Company, Inc., Utica, N.Y., and later was in Government service.

The hotel furnishings, in which he is investing his money are being purchased almost entirely from Western Ontario manufacturers, through London dealers, the latter handling these goods at a purely nominal margin, Goods which represent a value of perhaps $225,000 are being obtained from the furniture, linen and other factories of Ontario, by co-operation of London merchants, at a percentage which does not actually cover cost of handling, and in this way London business men are making a further valuable contribution to a project in which they have already spent much time and personal effort.

London Chamber Tells of City's Advantages

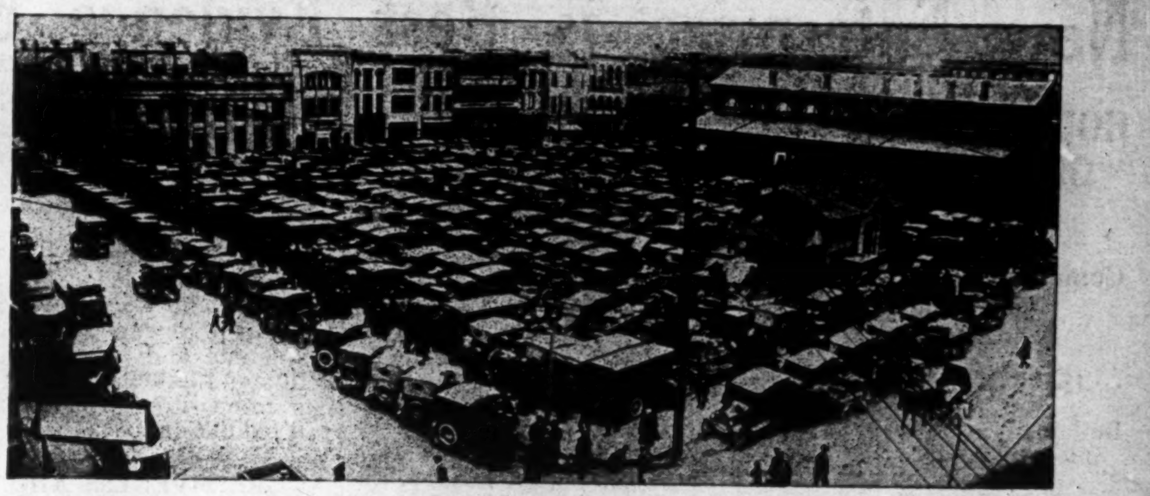
The London Chamber of Commerce, ever a live institution, has published many pieces of advertising literature designed to attract trade and the tourist. The following is an excerpt from a recent circular:

London has many distinct advantages to offer prospective manufacturers, combining as it does many features essential for profitable manufacturing. It is a city large enough to have an abundant supply of labor available at all times. More than 90 per cent. of the citizens are of Anglo-Celtic origin, and manufacturers are enabled to build up working forces of high quality. A very large percentage of citizens own their own homes, a fact which partly accounts for the remarkable stability of labor conditions here. Labor troubles are foreign to London.

It is a point at which raw materials can be assembled quickly and economically and as a distributing centre it has no superior in Canada. The city is served by the Canadian National, Canadian Pacific, the Michigan Central operating its own terminal in London, Pere Marquette and Wabash, the latter three roads operating jointly with the London and Port Stanley Railway, a modern municipally-owned and operated electric road connecting the city with Port Stanley, the largest and best equipped harbor on the north shore of Lake Erie. Inter-switching facilities, on terms very advantageous to shippers, exist between all lines entering the city. Lake shipping facilities at Port Stanley include a daily freight and passenger service to Cleveland, by the Cleveland and Canada Navigation Company's steamer "City of St. Ignace." There is also a daily car ferry service between this port and Conneaut, Ohio, and Montreal freighters also frequently make Port Stanley a port of call.

The city owns and holds for disposal at reasonable cost to manufacturers large acreage on trackage eminently suitable for industrial purposes. Floor space suitable for manufacturing purposes available in other parts of the city at present.

Showing How London Draws Trade From Near and Far



A normally busy market day in the center of London's retail district.

"If It's Done With Heat You Can do it Better With Gas."

City Gas Company of London
215 DUNDAS STREET

Alert Service to Investors In Western Ontario

All high grade investments bought, sold and quoted. Stock Exchange business handled rapidly, accurately and to the best possible advantage of the client.

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202 Dundas Building
LONDON

Head Office: Dominion Bank Bldg., Toronto. And at Kitchener.
J. STRATHEARN HAY, Member Toronto Stock Exchange.

A Service —

By Which You Can *Profit*

YOU stand to gain by associating yourself in the investment of your funds with a successful investment banking house of repute.

1. You are assured that the securities offered you have first been approved of by an organization skilled in selecting investments, and whose business life depends on its efficiency in separating the good from the bad. ¶ Since our entry into business we have sold over $160,000,000 worth of bonds, and there has never been a loss of one dollar of principal or interest to any investor.

2. You are entitled, as a client of ours, to a confidential service by which your investments are periodically analyzed and reported on by experts giving their whole time to such work.

3. You are given the first chance to invest in new issues which this firm underwrites. Issues recently underwritten by us include Loblaw Groceterias, McColl Brothers, Hayes Wheels and Metropolitan Building.

Let us have an opportunity to serve you in these and other ways. Write to-day for our free monthly publication, *The Investor*, which contains invaluable information on investment subjects.

McLEOD, YOUNG, WEIR & CO.,
Limited
Dominion Savings Bldg.,
LONDON

TORONTO OTTAWA MONTREAL HAMILTON

OPENING ABOUT JULY 15th, 1927
HOTEL LONDON
LONDON, ONTARIO, CANADA

250 Outside Rooms — ON THE MAIN HIGHWAY BETWEEN DETROIT AND NIAGARA FALLS — 250 Baths

Sample Rooms with Murphy In-a-Door Beds
Rates $3.00, $3.50, $4.00

GARAGE ACCOMMODATION — GOLF PRIVILEGE

R. A. LUSSIER, Manager

New Enterprise is Best Evidence of Growth in Western Ontario Centre

HOTEL LONDON OPENS ITS DOORS BY NEXT MONTH

Community Spirit Makes Possible Modern Hostelry

IS LONG NEEDED

Building on Dundas Street is Splendid Addition to Structures on Highway of Business Travel

By the middle of next month, one of the most modern hotels in the Province of Ontario will open its doors to the traveling public in the city of London. For many years the citizens of that city have felt the need of better hotel accommodation, but the war and one thing and another delayed action until a short time ago, when by a united effort of various community organizations, headed by the Chamber of Commerce, sufficient capital was raised to carry out the project of giving to London an up-to-date hostelry of 250 rooms. Three financing plans fell to the ground for various reasons in the years from 1920 to 1925. Two or three provincial charters were obtained in that period. The fourth endeavor was successful, however, and, through the public spiritedness of London citizens the necessary funds were secured.

It is estimated that the hotel when finally completed and furnished will cost in the neighborhood of over one and a half million dollars. Practically all the brick, stone, timber, and other structural materials needed for construction purposes were secured in London or the immediate vicinity. The hotel furnishings are being purchased almost entirely from western Ontario manufacturers, through London dealers, the latter handling these goods at a purely nominal price. Goods which represent a value of $225,000 are being obtained from the furniture, linen, and other factories of Ontario, by co-operation of local merchants, at a percentage which does not actually cover cost of handling, and in this way London business men are making a further valuable contribution.

Central Location

A suitable site was selected for the hotel in the heart of the business district of London. It is convenient to the shopping district, financial section, wholesale houses, and any residential district in the city can be reached within a very few minutes. It is only a few minutes from the railway station, and one of the main provincial highways passes directly in front of the hotel. Work on the building started on October 17 last. For a time it was thought that the building would not be completed in time for it to secure a share of the unusually heavy tourist traffic which passes through the town. Construction was pushed, and it is the opinion of the contractors that the building will be ready for occupancy by the 15th of July. All of the stone, brick, plumbing installation, etc., have been put in, and all that remains is to complete the interior decorations.

It is difficult to overestimate the value of this hotel to the community. Efforts had been made from time to time to interest outside capital, but until last fall nothing definite was done. Now that London has an hotel which can compare favorably with any in the province, it is felt by the citizens of London that they have everything to offer the business man, tourist, or others interested in the city, either from a business or holiday standpoint. It will undoubtedly be a stimulus to the fall fair, which is the second largest in Canada. Hundreds and possibly thousands of people have kept away from the exhibition on account of the lack of hotel accommodation. With the completion of the Hotel London, more people will be induced to visit London, and there will be a corresponding increase in revenue received by merchants and others by the influx of 125,000 or more tourists and visitors at the annual fall exhibition.

AGGRESSIVENESS AND CAUTION REASONS FOR ADVANCEMENT

(Continued from page 17)

the British Isles has ceased, in the main, to be a borrower and, since the early days of the war when Britain was drawing her investments home, has become a lender. The erstwhile mortgagors have become holders of the mortgage company debentures. So well-regarded are the debentures of the loan companies of London that many of the canny investors of the district hold them in preference to government bonds, and held them even in times when government bonds gave as good a yield.

Sell Millions in Bonds

Inevitably, with such a prosperous community, the field of investment has widened to attract purveyors of other classes of securities. The Toronto and Montreal investment houses either have active and growing branches in London or find it a fruitful territory for salesmen of sound stocks and bonds, and one house which has been established in London for three years has made rapid strides under the direction of an energetic and capable management. It has been estimated that not less than $60,000,000 of industrial stocks and bonds are sold from London annually. Incidentally, this development by Canadian houses has changed the character of industrial investment from American to Canadian.

Probably one reason for the rounded development of London financially is related to its development industrially. It is the home of a number of splendid manufacturing concerns which have been developed by terested in financial institutions London men. As success came to these men, they became in- and helped to make them grow. In this respect, London is more fortunate than some other Canadian cities of comparable size, where the leading men are sometimes, at the best, merely managers of industries owned and supervised from a more metropolitan center in Canada or in the United States. This home-ownership of home industries also is a factor in maintaining a fairly even level of industrial and mercantile prosperity, for, as a rule, the home office and factory of any commercial effort is the last to be curtailed or to be closed in times of depression.

In a city of financial stability built by agressiveness leavened with conservatism, it could be expected that the city be one of fine homes, friendly clubs, prosperous retail establishments, splendid public buildings, good educational institutions. London possesses all these which contribute to the pleasure and comfort of living and of advancement, and is further blessed with beautiful scenic surroundings and excellent railway and highway facilities.

NEWSPAPERS OF LONDON SERVING COMMUNITY WELL

Publications Have Prospered in Face of Competition from Outside

No city in Canada is better served by its newspapers than is London, Ont. For more than two generations the Free Press and the Advertiser have been among the premier papers of Canada, and comparison at this time brings the inevitable comment that the high standards set by the founders have been maintained throughout the years, with a progressive management ever on the alert to take advantage of the evolution that has altered materially the art and the problems of daily newspaper publishing.

It has been said that no newspaper is bigger or better than the community it serves. London, judging by its newspapers, is a centre of importance in every line of endeavor.

The London newspapers have, from time to time, faced severe competition from outside. But they have met every form of competition with courage and ability, with the result that to-day they are firmly established commercially and are firmly entrenched in the minds of the readers, who for many years have had opportunities to compare them with outside dailies and never have found the most critical comparison uncomplimentary to the home product.

Mr. Hyman's Brand of Snooker Still Played in London

In the London Club, members and guests play a game, invented by the late Hon. Charles S. Hyman, which is peculiar to London and the club. It is called snooker, but it is different from snooker in that the pool balls are rolled from the hand, no cues being used.

The object of the game is to get as near the designated corner pocket without going in, and every shot is a triple-bank. Every player has three shots. Each player who sends a ball into the pocket or which is banked back into the table outside a two-foot arc from the pocket loses a point. The penalties arise whether the player puts another player's ball into the pocket or outside the arc.

Major Kippen appeared to be the star of a recent game played within the precints of the downtown club.

JOHN M. MOORE & COMPANY
ARCHITECTS
489 Richmond Street, London, Ontario
Architects for
THE NEW LONDON HOTEL
LONDON LIFE INSURANCE CO. BUILDING

In three years---

Midland Securities, Limited, by the distribution of high grade securities, has contributed substantially to the growth of London as the financial centre of Western Ontario.

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Telephone Main 5510

Financing the Dominion

The Modus Operandi of Government Finance, the Financial Position of the Dominion and Some Observations on National Finance

By RIELLE THOMSON.

"How Financing is Arranged."

First of two Articles:

WE SPEAK glibly on government policies; on tariffs, on taxes and on expenditures. Yet few of us talk on government finance, because we realize that we have little knowledge of a subject so intricate. We view with awe the finance minister and the financial critic of the opposition. Yet government finance is the chief factor upon which government policies must always be based.

Most of us are well informed on the financial structure and financial position of corporations in which they are interested; few of us though, know sufficient regarding national finance to even make an approximation of the national debt.

Thus no apology seems needed in presenting first, an outline of the manner in which financing is autherized and carried out by parliament; second, a picture of the financial position of Canada and finally, to conclude with a few observations on the national financial picture as they occur to one accustomed to writing on corporate finance.

There is a basic difference between money grants and all other forms of legislation: before a money grant or new tax can be submitted to parliament for its approval, the constitution provides that it must first be recommended by the written message of the governor-general, who in turn acts only on the advice of his ministers. Thus the responsibility for taxation and expenditure rests squarely on the shoulders of the cabinet. When money bills are being considered, therefore, individual M.P.'s cannot suggest new taxes nor increased grants. They may though, endeavor to eliminate any suggested taxation or expenditure.

The Preliminary Steps

The preliminary steps taken by the government to meet its financial requirements in any year are simple. All governmental financing of any sort—taxes, bond issues and so forth—comes under the jurisdiction of the Treasury Board, a sub-committee of the cabinet. Its members are cabinet ministers and its chairman is the minister of finance.

Before the close of each fiscal year on March 31, the head of each government department forwards to the minister of finance a detailed estimate of this department's financial requirements for the coming fiscal year.

These estimates are carefully gone over by the minister of finance who endeavors to lop off as many expenditures as possible. Then the treasury board again goes over the estimates for the ensuing year and after making the alterations which it sees fit, the estimates are finally presented to, and passed upon, by the cabinet.

There are no doubt many heartburnings at the meeting of the privy council which finally passes the estimates, but eventually, the cabinet is outwardly of one mind on the figures estimated to cover the national expenditures for the next year. One minister may be a bit put out because his own constituency has not received a new post office or a new dock, but as in all other matters, when any decision is finally made by the government, the cabinet is naturally all of one mind; any member not agreeing with the privy council resigns.

Estimates Are Then Printed

These estimates are then printed by a gentleman with a charming name, the Printer to the King's Most Excellent Majesty. They are contained in a blue book which, while it undoubtedly presents the figures clearly and in detail, yet, like all other blue books, seems to frighten the casual reader before he even gets into it.

After the Estimates are printed, they are tabled in the House of Commons. Once again there are heartburnings as each of the private members turns up the blue book to see if his own particular constituency had obtained a canal, a post office, or, at worst, a clock tower.

The next step in governmental finance is to secure the approval of the House of Commons of the government's Estimates. To do this, the Estimates are submitted to the committee of supply. This committee consists of every member of the house. Each single item of the Estimates is read aloud and then passed by the house. The reason the house goes into committee of supply lies in the fact that while in committee an adverse vote of the house will not put the government out of power. It is conceivable that the house might take exception to, and vote against an estimate of $1,200 for repairs to the breakwater at St. Polycarpe de Trois Pistoles. If the house were not in committee, such action would cause a general election.

Estimates may be eliminated, but more may be added, because they would not have received the authority of the governor-general.

Appropriations Act Passed

After parliament has finally passed ed the Estimates in committee, the appropriations act is drawn up; this is usually known as the supply bill. The supply bill is finally passed by the House of Commons, usually towards the close of the session. The bill then goes to the Senate where it is also passed. Incidentally, while the Senate has the presumable right to refuse to pass supply, yet neither the upper house here, nor the upper house in the United Kingdom would dare to throw out the appropriations act. The reason is obvious. If the upper house threw it out, it would probably mean the end of the upper house. While the Estimates are being passed, and while the honorable member for Podunc Corners is busily engaged in writing home to explain why the government has not decided to erect a new dock at Port Podunc, the minister of finance brings down the budget. The budget is in two parts; first, it contains a review of the preceding fiscal year's financial achievements, if any. Usually the minister of finance claims that the preceding year's financial record provided an immense surplus and the opposition usually maintains that while there was surplus shown on the books, yet in reality there has been a huge deficit. The real situation can be envisaged only by a hurried glance at another blue book—the public accounts—which is published annually and which represents the income account of the government, together with its balance sheet as at March 31, the close of the fiscal year.

How Taxes are Levied

The second part of the budget is devoted to the manner in which the government proposes to raise the funds which will meet the expenditures of the ensuing year, the total of which has already been included in the Estimates. Around the second half of the budget the usual windmilling proceeds apace. If new taxes are required to meet the estimated expenditure, they will be included in the second part of the budget.

The lowering of taxation both this year and last year was made possible, not through any decrease in the expenditures, but because the general levy of prosperity was such that the revenues from taxes increased, despite the reduction.

New taxation measures in the budget are passed by parliament in much the same fashion as the supply bill. If there is new taxation it is submitted to the Committee of Ways and Means, which, like the Committee of Supply, is composed of all the members of the house. Individual tax resolutions are passed by the committee and finally passed by the house. While the committee can eliminate proposed taxation measures, yet new measures of taxation cannot be inserted, because as has been said, the crown, in other words the cabinet, must give its assent before any proposed measure of taxation is introduced into the house. Incidentally, taxation measures in the budget are usually made retroactive to the date at which the minister of finance makes his announcement in the house, for otherwise, importers or others affected by the new taxation might be enabled to evade payments to the government by quick action.

The foregoing outlines sketchily the way in which the elected representatives of the people authorize the raising and spending of money.

Now, to open mystic pages of an important blue book—the Public Accounts. The document corresponds to the annual report which corporations present each year to their shareholders.

Like any other annual report, the public accounts contains a balance sheet and an income account. The latter shows receipts and expenditures. Both statements are condensed and fairly understandable.

To clarify the subject somewhat, the dominion's balance sheet might be divided into two parts. The first half is composed of what might almost be termed current assets and current liabilities. In the current assets are included cash, specie, reserves and all the assets on which the government will ultimately realize money. They include loans to provinces, banks, foreign governments, land settlement loans and similar advances.

In the current liabilities are included the dominion notes in circulation, post office savings accounts, interest to date on the outstanding bonds and similar sums which must eventually be met, or which represent direct borrowing by the government.

Net Debt Is Important

In addition there is included in these liabilities the figure of the total bonded debt of the dominion. By deducting these assets from these liabilities an important figure is obtained. It is the real indebtedness of Canada. This figure is always referred to as the net debt. It amounted in round figures at the close of the 1926 fiscal year to $2,400,000,000. This is one of the figures which is of great importance and one which voters would do well to remember. It amounts roughly to $240 for every man, woman, child and indefinable boyish-bobbed flapper in the country.

In the second section of the balance sheet, this figure of the Net Debt of $2,400,000,000 is carried against what may be termed the fixed assets. These include canals, railways, post offices, military properties and public works of one kind or another.

The income account of the federal government, like that of the balance sheet, may be divided into two sections, capital account and the consolidated fund.

The revenues of the capital account included funds from the sale of public works and similar receipts. The expenditures include such items as the construction of canals or railways and other items properly chargeable to capital. At the close of the 1926 year the capital expenditures were some $17,000,000 larger than the receipts. This of course is natural as receipts under this head will probably never equal expenditures.

The most interesting section of the income account of the Government however, is the consolidated fund account which shows the Government's total ordinary revenue and from whence it comes, plus the expenditure and in what channels these funds were dispersed.

In the 1926 year the total revenues of the government—and here is another figure which is well worth while keeping in mind—amounted in round figures to $380,000,000. Expenditures that year were some $56,000,000 less, so that when Mr. Robb presented his budget to parliament a few months ago he naturally took care to mention this surplus. Some of this was used to meet the deficit in the capital account and some, $28,000,000 was used to reduce the total of government bonds and notes outstanding.

The chief sources of the revenue of $380,000,000 were, in order of magnitude: tariffs; sundry taxes such as the sales tax and excise duties. The post office produces a revenue of $30,000,000 but expenditures under this head were slightly larger.

There are some 30 deductions in the income account. The larger and more important of these include pensions, post office, public works, national defence and interest on public debt; and the greatest of these is the interest on public debt, which amounted last year to $130,000,000. And this is a third figure worth remembering.

Three Important Figures

There are three outstanding figures in the financial position of the Dominion. They are in round figures: the net debt of 2,400 millions; the annual revenue which is in order of magnitude of 380 millions, and lastly, the annual interest charges on the bonded debt of some 130 millions.

The comparison of the last figure with the $380,000,000 in revenue is one of the fundamentals in governmental finance. In other words, more than one-third of the annual total revenue of the Dominion of Canada goes to pay interest on its outstanding bonds; or some 40 per cent. of the 1926 federal expenditures went to meet bond interest only.

This figure of $130,000,000 can only be reduced by paying off some of the bonds out of future surpluses or issuing new bonds at lower rates of interest as old ones fall due and are paid off.

Undoubtedly, many of the items of the expenditures could be reduced—but any considered thought on the matter leads to the belief that they could not be reduced much. In any event, even comparatively large reductions among the expenditures, because of the magnitude of the interest on the funded debt, would result in but a small decrease in the amount actually spent at the end of the year.

I have summed up the way in which parliament authorizes the raising and spending of money. There is one other way in which the government can obtain funds. This is through a warrant issued by the governor-general. In the 1926 session, the government was turned out of office and a general election brought on before parliament could pass the supply bill, and expenditures in 1926 were largely made under warrants issued by the governor general.

Thus it will be seen that the system of obtaining the authorization of parliament to spend money and to raise money is elastic; and on the whole, works very satisfactorily.

Work of Finance Department

The actual carrying out of spending the money so authorized rests upon the minister of finance and his department. This department makes all payments authorized in the supply bill and carries out entirely the financing and re-financing of the Dominion.

Before the minister of finance can put out a new issue of bonds, the authorization of parliament is obtained, either through an act or sometimes the authorization is obtained in the supply bill.

This year the government has bonds and notes maturing to the extent of something over $100,000,000. They fall due next autumn. Before this, the minister will decide exactly what percentage he can redeem out of current cash resources and to what extent he will issue new bonds to replace the $100,000,000 which must be redeemed.

Let us presume that it is decided to redeem $10,000,000 out of current funds and to issue new bonds to the extent of $90,000,000 with which to refund the older issues.

The minister then calls for tenders for his $90,000,000 issue. He might make the bonds 3½ per cent. maturing in thirty years and call for bids; on the other hand, he might ask for alternative bids on thirty year bonds and three year notes.

In this, the minister acts on the best financial advice obtainable and asks for tenders on bonds best suited to the needs of the government and those which will cost the country the least in interest charges.

For instance, in 1924 the minister put out an issue of three year notes realizing that interest rates would probably decline. Rates have since gone down and the Dominion has benefitted.

In the past, bonds have sometimes been made payable only in Canada, others have been made payable in Canada and New York and others have been made payable in London, New York and Canada. The terms under which the bonds are issued all vary to meet the requirements of the moment.

As soon as the minister of finance decides under what terms his bonds will be issued, tenders will be asked. Large banking syndicates then form groups and make their bids for the issue. The highest bid is accepted and the banking syndicate, usually composed of leading bankers, buys the bonds and deposits the purchase price to the credit of the federal government.

The banking syndicate then distributes the bonds to the various retail bond houses with which they are associated and finally the bonds are sold to the public. Sometimes that public will be in Canada, but for the future as New York and London are the great financial centres and can afford to give a somewhat better price for the best bonds, it seems reasonable to presume that most of our financing will again be done in New York or London.

In refunding issue such as has been mentioned the proceeds of a new issue are utilized to pay off maturing issues in full. The system is exactly the same should the government make a new issue with which to meet other needs.

* * *

(The next article of this series will contain observations on the present financial situation of the Dominion.)

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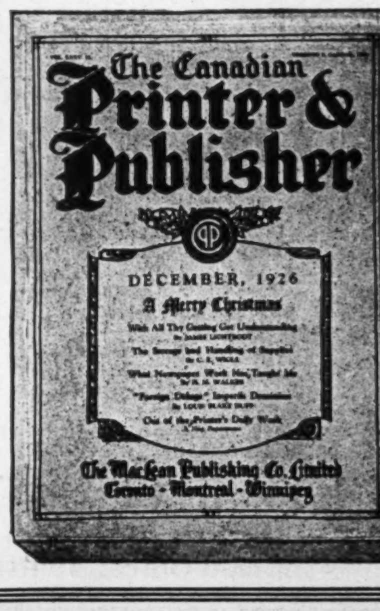

Insurance for Buyer and Seller

LIFE INSURANCE MAN HELPS WITH FAMILY BUDGETS

Shows How Common Sense Disposition of Income Works Out

One of the additional services that life insurance is now offering to its policyholders is a system of home budgeting, which not only enables the man with family responsibilities to meet his bills regularly, but which also puts him in the enviable position where he can afford to buy more life insurance or make investments of a similar character. By the application of a few simple principles of budgeting, the harassed father may now have both mental and financial freedom; may put himself in a better liquid position, and may enjoy the unique sensation of being able to meet all his bills as they accrue.

In the first place, what is a budget? A budget is simply a common sense disposition of income, which takes into consideration the liabilities that are certain to turn up at various times in the year. Whenever men assume liabilities in the shape of houses, families, insurance, etc., there can be no escape from certain financial obligations that must inevitably be met. There may be payments on a mortgage,, or perhaps rent, or repairs, or coal bills, but whatever they are, these items, once contracted, become fixed liabilities from which there can be no escape. A budget is simply a chart which plots out these liabilities and offers a successful means of navigation for the yearly cruises of life.

What Should Be In Budget

Taking for granted then, that the budget can be of definite value what should it include? There are no hard and fast rules but essentially the budget must be as simple as possible and should include only those liabilities that are fixed or at least semi-fixed. For instance, doctors' bills could not easily be budgeted because they are at best a very variable factor. On the other hand, taxes are admirably suited to budgeting because they are practically invariable and are always due at a definite time each year. Holiday money can very well be budgeted, because even though the exact amount is unknown, yet provision must be made for the annual outing and by the simple expedient of budgeting, a sum of money becomes available for that purpose each summer. How then does the budget work?

In the first place there must be a stock-taking of the total yearly income. Then a statement prepared of all fixed or semi-fixed liabilities. This list would include all the bills that appear regularly each month, in addition to those items such as taxes, insurance premiums, etc., which occur periodically once a year. Suppose the total liabilities of this nature amount in a year to $1,500, and that income is paid once a month, then obviously if $125 is set aside regularly each month, there will always be enough money on hand to meet these liabilities as they arise.

But How Does It Work?

To the sceptically-minded, the obvious question that arises is "How does this pretty little theory-picture work out in practice?" The answer is to be found in the large number of policyholders who are traveling this primrose path, having been started by enterprising life-insurance underwriters, who are using this method to write new and larger insurance policies among their prospects and clients. C. R. Brackley, of the Canada Life Assurance Co., is a pioneer in this particular field, who prepares regular printed forms for the use of his clients. Mr. Brackley assumes the responsibility of getting his client started along these lines, by preparing an analysis of liabilities and following up the budgetary system for at least a year until everything is working smoothly.

One of the keys to the successful operation of the family budget, is the fact that any money which is set aside is immediately deposited in a separate account, and all payments are made from this account by means of cheque. In this manner, once a budget has been proved (which, according to experience takes about a year), the payment of bills and liabilities becomes automatic and the cheque stubs of the special account provide the only necessary record or accounting of the budget system.

How does this service link up with the sale of insurance? In the first place it enables a man to carry more life insurance because he pays his premiums at the same time that he gets his salary cheque. A $500-a-year premium looks like the proverbial mountain to the averaged salaried man, but when the premium can be distributed throughout the year, and provided for month by month, or week by week, as the case may be, the possibilities of turning a prospect into a policyholder, are greatly increased.

Then again it has proven to be a very effective argument for the selling of income settlement insurance by showing to the client in black and white, the exact nature and amount of his fixed liabilities. It provides the answer to the following questions: What income would be required in case a client's income should suddenly cease? What are the client's assets from which such income would be derived? What is his present yearly surplus amount to? What amount of capital does the estate need now to build it up to that point that it would provide for the fixed liabilities and enable dependents to live in comfort?

Once made and proven, the budget provides the insurance underwriter with a definite weapon of knowledge, with which, if need be, he can build up his case for more insurance. In the meantime, the client enjoys the advantage of an exceedingly simple medium for providing the wherewithal to pay his bills.

Life Insurance Sales in Canada

	1922 $	1923 $	1924 $	1925 $	1926 $	1927 $
January	27,432,000	28,108,000	30,673,000	30,838,000	33,907,000	36,986,000
February	26,023,000	25,409,000	30,704,000	28,698,000	34,744,000	35,525,000
March	27,516,000	28,142,000	34,383,000	35,001,000	40,483,000	42,883,000
April	26,547,000	29,966,000	32,603,000	35,872,000	37,846,000	41,631,000
May	30,413,000	29,762,000	33,368,000	34,377,000	37,703,000	44,553,000
June	33,437,000	31,865,000	34,295,000	42,307,000	44,634,000	....
July	26,119,000	31,539,000	33,205,000	37,671,000	40,101,000	....
August	26,720,000	31,065,000	27,983,000	31,724,000	36,010,000	....
September	25,081,000	25,979,000	30,029,000	33,543,000	34,878,000	....
October	29,102,000	33,470,000	32,483,000	36,259,000	40,226,000	....
November	29,664,000	34,165,000	34,357,000	36,760,000	44,251,000	....
December	32,995,000	37,377,000	37,120,000	41,822,000	46,777,000	....

*Companies having in force 84 per cent. of total outstanding business in Canada. New, ordinary business only. Figures by Life Insurance Sales Research Bureau, Hartford, Connecticut.

Total, 1927, five months	$201,578,000
Total, 1926, five months	184,183,000
Increase to date, 9%	$17,395,000

Marketability of Securities Requisite of Safe Investment

How much marketability an investor requires of his securities in order to keep his dollars within the safety zone is entirely a matter of individual needs and purposes. The proper amount necessary to a satisfactory investment varies with different individuals. For the business man, for example, who may be required to draw upon his reserves quickly, a high degree of marketability of securities is very essential. On the other hand, for the investor who intends to hold his bonds until maturity ready saleability is of little importance, beyond that degree which will meet an emergency advantageously. At most the average investor will need only a small fraction of his total holdings in immediately convertible securities. No one, however, who foresees a demand for ready money, should neglect to include readily marketable bonds among his investment holdings.

It is a common fault of investors to demand a higher degree of marketability than they really need. Marketability in a security is a feature that must be paid for. The fact that a bond is very easily sold indicates that there is a wide and active demand for it, and, as with every other commodity, the greater the demand the higher will be the price. The investor who insists upon a high degree of marketability will accept, in consequence, a lower rate of return.

If an investor expects to borrow occasionally from his bank by depositing his bonds as security, he will find marketability an advantage. On account of its advantages in this respect, the readily salable security is worth what it costs. For the investor who will never need this advantage, however, a high degree of marketability in a security represents an extravagant waste of investment capital.

Business Conditions In the United States

The dollar volume of trade in the United States during the second week of June, as indicated by check payments, was larger than in either the previous week or the corresponding week of 1926, according to the weekly statement of the Department of Commerce. Wholesale prices again strengthened as compared with the previous week, but were still well below the level of a year ago. Prices for cotton continued their advance, while wheat prices averaged lower.

Loans and discounts of Federal reserve member banks receded somewhat from the preceding week but were substantially larger than in the corresponding week of the previous year. Although interest rates on time money showed no change from the preceding week, they were higher than a year ago. Bond prices again declined, as compared with the previous week, but were higher than last year. Stock prices continued to advance. Interest rates on call loans, although higher than in the same week of 1926, were lower than in the preceding week. Loans to brokers and dealers by Federal reserve member banks in New York City, secured by stocks and bonds, continued to expand. The Federal reserve ratio was higher than in either the preceding week or the corresponding week of last year. Business failures were more numerous than in either the preceding week or the same week of last year.

Production of bituminous coal during the week ending June 4 was smaller than in either the previous week or the same week of last year. The output of lumber during the same week showed like comparisons with both prior periods. Beehive-coke output, although greater than in the previous week, was considerably lower than a year ago. The production of crude petroleum established a new high level during the first week of June. Freight carloadings continued to show a large distribution of goods. Receipts of cattle at the principal markets were smaller than a year ago, while hog receipts were greater.

[Ad No. 7 in a series on Business Mortality]

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Poor Ted has his personal problem from which he cannot shake himself free when alone. A recent illness, the price of overwork, left his health impaired. The doctor says it is only a matter of time.

He now has only a few short years in which to provide for Mary and the children. What is he to do? He is not able to get life insurance and cannot save much more than $300.00 a year. In five years this will be but $1,500.00—not nearly enough!

'Tis now he realizes just what it would have meant if he had insured when able, to provide for his wife an income of at least $100.00 a month ($1,200.00 a year) as long as she lived. At his age (35) $6.40 a week with the London Life would have guaranteed it, and worry would not now be further sapping his strength, killing any chance he may have had of recovery.

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There are just three incidents—and three alone—in the history of a legal reserve life assurance policy.
They are:—Premium Paid.
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Cheque Drawn.
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They are:—Premium Paid.
Policy Matured.
Cheque Drawn.
The rule of three is as elementary in insurance as in education. In both it is the beginning of wisdom.
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Current Events in Banking World

SCHOOL CHILDREN BRING IN $11,000 TO REGINA BANK

Thrift Plan With City Co-operation Labeled Big Success

By K. D. SIMPSON,
Manager Royal Bank of Canada, Regina, in Royal Bank Magazine.

Competition, coupled with the education of the public along investment lines, has created a serious problem for our managers, not only to hold, but—what is more important—to increase savings deposits. It is not surprising, therefore, that the advisability of teaching children to save should commend itself to the banker, for the savings account started during a depositor's childhood is the one which, in after years, will not be disturbed on every passing pretext.

A school savings plan has been tried in a number of districts with varying success. In some instances it has been abandoned through lack of interest among the teachers: in others it has proved too cumbersome to operate. Some years ago the City of Regina instituted a savings plan, which proved unsuccessful. Profiting by the reasons which caused its failure, the manager and assistant manager of our branch interested the school board, with the assistance of Mr. Denny, the superintendent, in a simple plan of operation, and obtained the support of the teachers through the school principals.

Collect Deposits Weekly

The city has twelve large schools in operation, containing one hundred and thirty-five classes or grades, with some six thousand pupils in attendance. For the bank's convenience, the City is divided in two sections of six schools each, and on Monday and Tuesday of every week deposits are collected—one section each day—and the pass books returned on Wednesday.

A special deposit form in duplicate (carbon for teacher's record) is used, which provides space for account number, name of depositor, amount, school and teacher. The deposit from each room, although it might contain from twenty-five to forty names, is used on one voucher for the supplementary cash book and teller's blotter. Fifteen or twenty minutes of the teacher's time is sufficient to enter names, etc. The deposit slip, together with cash and pass-books of each class, is then enclosed in a manila (clearing house size) envelope and handed to the school principal before twelve o'clock. The principal then places all envelopes in his school in a canvas sack, in readiness for the bank messenger, who calls. Other branches considering the plan may be able to arrange delivery of deposits at the bank. Regina found it necessary to make this concession at the commencement, but have been assured that arrangements would be made eventually to send the deposits in.

Instructions to Teachers

In the book containing the special deposit forms is pasted a letter of instructions to teachers. One important feature in the letter is reference to withdrawals, which can only be made one day a week and after regular banking hours, and depositors have been educated in the belief that withdrawals are by consent of parents only, either by letter, or by their names on withdrawal slips. As a result, pupils are seldom seen in the bank, and the wastage from closed accounts is negligible. The following are the instructions given to teachers:

(1) It is important that all details called for on the deposit sheet are completed. In the case of the first deposit, it will not be possible to show the number of the account until the account is opened at the bank.

(2) When taking the first deposit be sure and have a signature card completed by the depositor. The following should be carefully observed:

Full name.
Signature of depositor.
Address.
Father's name.

(If a depositor cannot write, state name and give age.)

(3) The deposit form should be totalled and cash received correspond—Signature cards, pass books, cash, and slip to be placed in the envelope and sealed.

(4) Duplicate slip to be retained by the teacher for record purposes, and as a check that pass books are entered properly when returned the following day.

(5) Deposits will be called for every........ in each week, during the afternoon. Envelopes containing deposits and pass books will be handed to the school principal not later than the noon hour, and the principal will place all envelopes in a canvas sack, in order that no time will be lost by the bank's representative who calls.

(6) Funds may only be withdrawn by depositors on Fridays from 4 to 5 p.m.

(7) Teachers may, if they so desire, avail themselves of the convenience extended, as regards their personal accounts.

While legally the bank cannot refuse to honor withdrawals from the accounts of depositors, it is suggested by your superintendent that the idea be conveyed to the children that the consent of the parent is necessary. Teachers are in a position to fully emphasize the advisability of pupils allowing the funds to accumulate for use in later life, when they may prove to be of some real value. Needless to say, withdrawals add tremendously to the work involved in handling the business of this department, and destroy the real aims of what we hope to accomplish. Full co-operation on the part of the teachers and pupils will materially assist in building up of a system which in years to come, through the medium of the teachers, will reflect credit on the public schools of Regina.

Seven Brought in $11,000

The plan went into full operation in May, 1926, and for the first seven months resulted in deposits of over $11,000 in some 2,330 accounts. New accounts are averaging over forty weekly, and there seems every prospect of success in the plan. Keen rivalry between schools to make the best showing is in evidence.

The habits of thrift which the children are acquiring have been fully realized by a large number of the parents, and the bank has received many favourable comments on the work they are doing. This should have a far-reaching effect on our deposits eventually, outside of the advertising value amongst the citizens as a whole.

Staff Gossip

Before leaving High River for Oshawa, the citzens of High River tendered W. D. Elliot, manager of the Bank of Commerce, a banquet. Mr. Elliot was presented with a handsome watch. —Times, High River.

* * *

Stanley G. Fisher, of the staff of the Bank of Montreal here for the past two years has left for London, where he has been appointed assistant accountant of the main office. Mr. Fisher will be greatly missed by business associates and a host of friends, but he carries with him congratulations and good wishes. —Ontario, Belleville.

FOREIGN EXCHANGES

Krone and Pesos Centre of Interest

Canadian funds continue at a discount in New York, ranging around 1-32 of one per cent. This has been due to heavy imports during the past couple of months and the need of meeting commitments in the United States. It is not expected that Canadian funds will sell at a premium in the months just ahead. Summer months are usually a period when heavy purchases are made across the line, but when the new crop starts moving, especially wheat, the situation should show a reversal of form.

Sterling cables remain firm, the recent break with Soviet Russia having had little effect. Some commercial paper has made its appearance in New York, on account of purchases of cotton, but this had little influence on exchange rates. Lire showed strength during the week which was attributed to renewed talk that negotiations were underway for Italian loans. Two large public utility groups are said to be completing financing agreements, and an automobile company is also said to have obtained funds. There is also signs of further speculation.

Probably the most important movement in foreign exchange during the week, was activity in Norwegian kroner and Argentine pesos. Buying of Norwegian has been taking place on the assumption that a rise to parity will take place in the near future. Internal conditions in that country have not been particularly favorable of late, but conditions are rapidly returning to normal. The foreign balance of the Norges Bank has also declined this year, which may have been brought about selling for the purpose of maintaining the kroner rate.

Argentine pesos have shown unusual strength owing to the manner in which exports have been increasing insted of decreasing as is usual at this time of the year. Consequently seasonal pressure has been lacking, and it is expected that the present rate will be maintained until next normal export seasons begin. The Government has failed to take any steps in returning to a gold standard, but decision has been delayed now that pesos are above parity.

The general tone of the market was somewhat mixed, but on the whole showed signs of strength. Japanese yen was stronger, but demand was not out of the ordinary. Spanish pesetas slumped, on heavy buying from abroad but rallied during the latter part of the week.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
	(Premium)		(Discount)	
June 16	3-32	5-64	1-8	9-64
June 17	1-8	3-32	1-8	9-64
June 18	1-8	1-8	9-64	5-32
June 20	1-8	5-64	9-64	9-64
June 21	5-64	Par	9-64	5-32
June 22	1-32	1-64	5-32	5-32

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
June 16	4.85¼	3.91½	5.54
June 17	4.85¼	3.91½	5.54
June 18	4.85 3/16	3.91½	5.57¾
June 20	4.85¼	3.91½	5.59
June 21	4.85 3/16	3.91½	5.62
June 22	4.85 3/16	3.91½	5.66¼

FOREIGN EXCHANGE

Par		June 15	June 22
13.90	Italian	5.54½	5.66
32.45	Brazilian	11.80	11.82
23.82	German	23.72	23.70
19.30	Belgian	2.78	2.78
84.85	Japan	46.45	47.25

Mr. Pardoe is Re-elected President Toronto 'Change

Avern Pardoe has been elected president of the Toronto Stock Exchange for a second term. One change was made in the committee, H. L. Plummer succeeding Col. C. G. Mitchell, on the board. Col. Mitchell's term of office expired with the recent meeting following a number of years in which he served as president, vice-president, secretary and treasurer.

The officers elected for the year follow: President, Avern Pardoe; vice-president, C. E. Abbs; secretary, Geo. W. Blaikie; treasurer, Harold W. Mara. Committee, F. G. Osler, O. Heron and H. L. Plummer.

Mr. Pardoe in addressing the members stated the past year was a record one for the exchange. New listings exceeded any one other period by a wide margin, and the activity was the greatest experienced since the organization of the exchange some years ago. Financially the exchange had a good year, and at the close of the period was in the strongest financial position ever.

Weekly Bank Clearings

(In comparison with the same week last year)

Eastern Cities

	June 17, 1926	June 16, 1927
Halifax	$ 2,669,813	$ 3,098,027
St. John	3,013,583	2,715,462
Moncton	786,734	841,817
Quebec	5,225,228	7,134,180
Sherbrooke	953,502	954,348
Montreal	116,484,897	123,818,133
Ottawa	7,264,196	7,517,964
Kingston	755,101	788,768
Peterboro'	706,649	871,634
Toronto	100,919,042	122,746,759
Hamilton	4,996,240	6,102,945
Brantford	1,217,823	1,096,768
London	3,316,438	3,511,104
Kitchener	911,214	1,151,064
Chatham	804,870	709,429
Windsor	......	4,899,287
Sarnia	709,992	774,987

Western Cities

	June 17, 1926	June 16, 1927
Fort William	928,180	1,020,115
Winnipeg	52,671,746	44,909,825
Brandon	564,012	514,011
Regina	4,101,830	4,018,280
Moose Jaw	1,138,885	1,159,162
Saskatoon	1,765,144	1,905,547
Lethbridge	503,697	......
Edmonton	4,415,864	4,833,072
Calgary	5,620,316	8,595,197
New Westminster	763,072	......
Prince Albert	364,595	400,450
Vancouver	17,967,436	......
Victoria	2,542,766	......
Medicine Hat	......	321,409

DRAW UP SYSTEM OF CHECKING COST OF ANY ACCOUNTS

New York Banks Think All Services Should Be Paid For

An important move is being made by the New York State Bankers Association to collate information which will permit classification sheets, enabling banks to approximate bank costs.

The report of the committee on bank costs as made to the recent bankers association convention in Washington, by the chairman, Stuart H. Patterson, comptroller of the Guaranty Trust Co., of New York, is one of the most comprehensive and yet most elaborate in detail ever prepared. This committee has been working for more than a year on the question. Its report, which has been put into printed form by the association for distribution, is some 30 pages in length.

Should Charge for Services

The committee makes short work of the idea that banks should hesitate to charge for services rendered.

The committee also deals plainly with the failure of banks to analyze their own business. "Bankers," it says, "are quick to criticize the business ability of a customer who does not know the cost of his various products or who cannot tell where he may be making or losing money, and he is considered very unbusinesslike. Such a man might be justified in applying the same criticism to the banker who does not know which of his accounts are profitable and which are unprofitable, and adopt means of eradicating unprofitable business. There is no reason why a bank should not be run on a businesslike basis, and there is no question but that the banks which are most active in weeding out the unprofitable accounts or which are successful in building them up to a profitable basis, will show the result of their efforts in larger net earnings."

How to Eliminate Unprofitable Ones

As to the remedies for unprofitable accounts the committee asserts that the banks which have done work in determining the cost of deposit accounts will undoubtedly heartily subscribe to the claim that it pays Some banks have increased their net earnings through the fixing of a service charge on small accounts.

The remedies for an unprofitable account in order of their efficiency or desirability are:

1. Reduction or elimination of interest on the account.
2. Increase of balance.
3. Reduction of activity.
4. Service charge.

In making up its cost sheets, the New York association report takes the following factors as a working basis:

(a) Account cost, representing maintenance of the accounts without activity.
(b) Item cost, representing the cost of activity.
(c) Investment cost, representing the cost of investing the depositor's money and collecting income.
(d) Interest paid.
(e) Extra charges.
(f) Overhead.

Analysing a Typical Account

To show what careful analysis means in estimating the profit or loss of a deposit account, an illustration is given dealing with a deposit indicating a book balance of $12,000, of which $2,000 is "float." On the assumption that the reserve is 15 per cent., that 2 per cent. interest is paid, that 2,000 items are handled during the year at a cost of $.0382 per item, that special check books costing $10 have been furnished free, that an unusually large amount of currency was handled at a cost of $40, that the "investment cost" is $2.37 per $1,000 and finally that the rate of gross earnings is 5½ per cent., the account works out as follows:

Account Earnings and Expense Statement

Ledger balance (average)		$12,000.00
Deduct uncollected items (float)		2,000.00
Collected balance		$10,000.00
Deduct reserve (15%) on $10,000		1,500.00
Available balance		$ 8,500.00
Earnings $8,500 at 5½%		$ 467.50
Expense—		
Account cost	$ 3.00	
Items 2,000 at $.0382	76.40	
Investment cost $8,500 at $2.37 per M.	20.15	
Interest 2% on $10,000	200.00	
Extra Charges—		
Special Check Books	10.00	
Handling Currency	40.00	349.55
Net earnings (1.18%)		$ 117.95

"It is obvious," remarks the committee, "that if the rate on earning assets were less than 5½ per cent. there would be a corresponding reduction on the profit in this account. For example, with a 4½ per cent. earning rate, the profit would be only $32.91, or .33 per cent. instead of 1⅛ per cent."

The above is but one of many concrete illustrations that are given to show how a bank labors under the common mistake that certain accounts are profitable when, as a matter of fact, the contrary is true. A very cleverly designed table of the report furnishes a means of rapid testing of deposit accounts showing the percentage of profit on various balances according to activity.

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Book Reviews

The World's Wool

The first publication devoted especially to the wool trade of the world, has just been put on the market under the title of "The World's Wool." This is undoubtedly the most comprehensive standard work of reference on the wool trade in existence. It contains in its 1,382 pages a mass of information in concise form which should prove valuable to any one interested in this industry.

Under the heading of general information there are articles summing up the history and general present conditions of the wool industry in Australia, New Zealand, South Africa, and North Africa; data is included such as a list of commercial organizations, a diagram of the organization of the woollen industry, a similar diagram of the worsted industry; the International Wool Textile Arbitration Agreement is given in four languages; lists are given of the research and testing laboratories, of technical colleges, of textile institutes and textile societies, of trade associations and wool books and journals. Under wool textile statistics there is given information on conditioning house regains; count equivalents, currency equivalents; on employment and wages; on imports and exports of wool, tops, yarns and fabrics: on prices; on productive capacity (a) of sheep and wool (b) factory equipment and production; on weights and measures and on wool standards.

Additional information is given on allied products, such as knit goods, spinners, artificial silk, yarns, fabrics, textile machinery, chemicals, as well as a lengthy list of companies, exporters, brokers and individuals prominent in the wool trade.

The volume sells for $10 a copy delivered, and can be obtained from Thomas Skinner and Co., at 280 Broadway, New York City, or Castle Bldg., Montreal.

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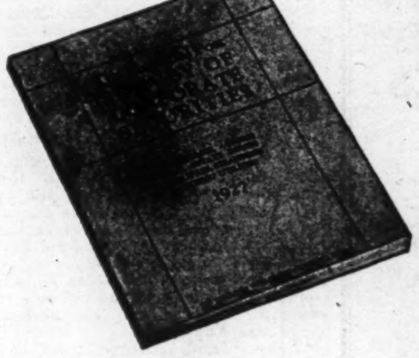

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A company has been organized on the Canadian Pacific Coast to manufacture a breakfast cereal which will be composed of grain, spinach, lettuce and celery, with honey flavouring. Another has been incorporated in the Maritime Provinces to make a cereal from apples and grains.

PRAIRIE TESTS PROVE WORTH OF NEW HARVESTER

Success of Product Will React to Benefit of Massey-Harris

ADOPTION LIKELY

Compared With Binder and Separator Costs, Combine—Harvester Affects Great Saving

Although it has been generally believed that the combine-harvester of the type developed by Massey-Harris Co.—a machine which cuts and threshes grain in one continuous operation—was not suitable to Western Canada, experiments conducted and observations made by the Dominion Experimental Station at Swift Current, Sask., indicate the machine is likely to be adopted widely when its capacities are more generally understood.

Questionnaires were sent out in 1926 to the 174 combine owners in the three prairie provinces. Of this two are in Manitoba, 26 in Alberta and 146 in Saskatchewan. Eighty-six were received stating that 28 machines were drawn by horses and 55 by tractors; 45 machines lost 18 days by reason of bad weather, 2 machines lost no time for weather; 21 machines lost 1.2 days waiting for repairs and 34 lost no time for repairs; 35 owners gave an average saving of 10½ cents per bushel as compared with the binder and separator; one owner condemned the combine; 53 owners gave an estimated cost for wheat of 99 cents per acre (gas, oil, and labor only), 33 kept no records of cost, and 55 gave an average cost of 6 cents per bushel of wheat (gas, oil, and labor only), 84 owners reported an average of 635.3 acres harvested by each machine, the individual areas ranged from 50 to 2,260 acres.

Smooth Seed Bed Needed

Observations on the preparation of land and method of seeding state that it is necessary to have a smooth seed bed in districts where short crops occur to avoid picking up stone and rubbish. Low spots that ripen late should be seeded heavily to hasten ripening and any practice that will destroy weeds and reduce sawfly damage should be followed. Uneven ripening and weeds are a serious menace to proper use of the combine.

The general conclusions arrived at at the station includes the necessity for complete preparation for combine harvesting when the season arrives, as no time must be lost. This means thorough overhauling and competent management by proven mechanics. The minimum acreage is set at 300 acres and the maximum at 800 to 1,000 for one machine. Sawfly damaged wheat can be picked up as readily by the combine as by the binder, but thin crops that are weedy do not thresh well and loss may occur in the machine method. Following a rain the combine can be started earlier than the separator as standing grain dries much quicker than stocks. In the event of a wet season and early snow-fall combine grain might be a total loss whereas stooked grain might be saved at some loss. Finally it has not been proven conclusively that the combine will handle any grain crop in any season, but in normal seasons it will cut and thresh wheat, oats, barley, fall rye and flax at considerable saving whereas an unusual combination of weather conditions, weeds and pests may make the operation of the combine wasteful or even impossible.

Costs of operation have been figured for both engine drawn and horse drawn machine cutting a width of 16 feet. This width of machine drawn by a tractor of 15-30 rating traveling 2½ miles per hour for ten hours would cut 48.5 acres a day. Allowing off 5 acres for lost time the daily cut would be 43.5 acres. The same machine drawn by twelve horses at the rate of 2 miles per hour for ten hours would cut 38.8 acres a day. Time unavoidably lost would probably reduce this to 35 acres a day. After allowing 10 per cent. for depreciation on the $2,600 investment, 8 per cent. for interest on the investment, an estimated repair bill of $50.00 and a run of 20 days as well as the costs of operation, including labor, gas and oil, etc., the cost per bushel on a twenty bushel crop figures out to be 8 cents for the tractor drawn machine and 9 cents for the horse drawn. Rolling land and loose soil conditions might make a stronger tractor necessary so that horse and tractor power are about equally expensive.

Saving of 17 Cents

Compared with binder and Separator costs, which are stated to be about 17 cents for a twenty bushel crop this would be quite a saving.

The stage of maturity of grain before harvesting with the combine was found to vary from eight to twenty days after the binder could have been used, with ten to fifteen days the usual time depending on the nature of the weather, otherwise loss from heating, bin-burning or being graded damp or tough was experienced. Attempts made to shorten the time of waiting from six days later than the binder could have been used by cutting at four day intervals thereafter and storing the grain advantageously or passing it through the dehydrator proved to be a failure. It is evident, the report states, that the only safe rule to follow is to wait until the majority of the grains are dry and hard. Standing grain loses moisture very quickly in warm, windy weather. Cutting a day or even half a day, too soon may mean the difference between straight grades and tough.

Combine versus the binder separator method of harvesting in regard to grain losses wherein measurements were made of all losses from both methods showed very little difference in the amount of loss either way. Conditions, however, were very unfavorable for the combine operation due to weeds and action of sawfly on the crop. The circumstances were comparable, however, and the loss would probably be about the same in any crop with possibly more grain saved by the combine

One Machine Harvests 480 Acres

In regard to acreage that can safely be harvested the report states that it is reasonable to assume that the combine can be expected to operate for at least 24 days in the average season. Assuming that the average day's cut for a sixteen foot machine is 35 acres, one machine can harvest 480 acres. This is reasonable enough when the average starting date in Alberta and Saskatchewan in 1926 was August 24.

Baking and milling tests made of combine harvested and binder harvested wheat showed practically no difference. In only one year did the binder harvested wheat show a better loaf than the other, and in 1924 the combine wheat showed a much better loaf, so that honors are about even.

With a saving in harvesting and threshing of eight or nine cents the bushel, the demand for the latest product of the Massey-Harris Co., there is reason to believe, will increase rapidly. The company, it is said, is earning at a more rapid rate than at any time in its history. This is attributed to the success of the combine-thresher.

Sees C. P. R. Still As Good Investment

In answering an enquiry, the Wall Street Journal recently gave this comprehensive, yet concise, review of Canadian Pacific Railway:

Canadian Pacific Railway Co. gross for the first quarter of this year established a new high, an increase of 5.2 per cent. over the same period of 1926, and net after taxes was the best, excepting 1926, since 1917. At that, though, net of $6,462,600 was only $68,400 under last year. The lower net, despite the substantial gain in gross, was due to an increase in wages, unfavorable weather compared with a year ago and an unusually extensive programme of improvements. Record gross for the first quarter is noteworthy because it followed a year in which wheat production was considerably below 1925, although slightly better than the average for the three years ended 1924.

Gross in April continued to show gains over the preceding year, the total for the first four months being more than $4,150,000 ahead of 1926. The decrease in net for the three months was wiped out by the increase for April.

In the United States a rate of 5¾ per cent. on the value of a railroad property is considered reasonable by the Interstate Commerce Commission. Any such standard applied to Canadian Pacific shows it is operating under conditions which give a low return. On $964,537,000 invested in rail properties this company showed a return of 4.66 per cent. the past year, which compares with 5.13 per cent. on all Class 1 carriers in the United States.

The chief reason Canadian Pacific is able to show its 7 per cent. and more on its common stock is that par value of its publicly-held securities is only $678,450,000. Approximately some $282,000,000, for which no securities have been issued, has been invested in the railroad. This large amount ploughed back, to which no capital charge attaches, has come partly from earnings in excess of interest and dividend requirements and in part from land sales. The large sum of well over $100,000,000 has been turned back into the property from net sales of lands since 1881.

The other $3 which the common has received each year since 1911, making up the $10 annual rate, is from "special income account," representing returns from non-railroad properties and investments. The company owns and operates about eighty ships, a chain of hotels, its own grain elevators, telegraph and news services, including more than 5,100 miles of railroads in the United States controlled through stock ownership.

Income for the full 1926 year came to $14.12 a share on 2,600,000 shares, the best showing since 1917. With the excellent record being made this year, plus the fact that last month shareholders gave directors authority to issue 750,000 new shares in such sums and on such terms from time to time as they might decide, the "melon-cutting" rumors which have been rife seem not without foundation. Pres. Beatty has pointed out that no common stock has been issued for fifteen years, while in the past nine years issues of other securities have amounted to $178,960,000, which heightens the probability of the issuance of the new shares. The suggestion of possible valuable rights has been made in rumors that stockholders might be given the privilege of subscribing to new stock at $150 a share in the ratio of one share for every four now held. Even without such benefits, Canadian Pacific quite obviously offers a sound investment, and one which at the present market of 180 gives a yield of 5½ per cent. One should, however, not forget his precepts on diversification just for the sake of possible benefits to accrue from a prospective "melon."

Rayon Wood Cellulose is Inter. Paper Product

To set at rest rumors that International Paper Company or its Riordon subsidiaries are to make rayon yarns, (artificial silk), A. R. Graustein, president of International Paper Company, has issued an official statement that International Paper Company is not entering the field of rayon manufacture and has no financial interest in any company making rayon yarns.

The sole interest of International in the rayon, (artificial silk) field is producing and marketing Kipawa Sulphite Wood Cellulose for making high grade rayon. The output of pulp specially made at Kipawa Mill of the Riordon Division of International Paper Company now supplies a large proportion of the total world's consumption of wood cellulose by makers of rayon yarns.

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First Annual Report of the Board of Directors

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Alternate Directors: THOS. W. LAWSON; AUGUSTE A. BOLTE

The Stockholders, Winnipeg, May 16th, 1927.
Central Manitoba Mines, Limited.

Your Directors are pleased to report at this, the first Annual Meeting of Shareholders, that excellent progress has been made during the past year in the development of your properties near Long Lake in Manitoba, and that in the Treasury are ample funds to carry out the development and equipment programme as planned.

Up to within the last three months exploration and development work was pushed vigorously, with the results which have been given out through the Press. There has been made no estimate of ore reserves since the figures made by John Taylor & Sons in October, 1926. The development work since then, however, has added to them substantially, both in quantity and grade of ore. During the last three months attention has been devoted principally to putting the mine in shape for extraction of ore and getting the material and equipment for the new mill and the 1927 operations over the winter roads before the breakup. This preparation has involved also the cutting of timber and sawing of some 400,000 feet of lumber, which was obtained within a few miles of the mine. Erection of a mill capable of crushing 300 tons of ore daily, and of cyaniding 150 tons daily, is now under way. The plans provide for readily enlarging this capacity as development of the mine and ore reserves warrant. It is expected that September or October will see gold production at the Company's property started on a substantial scale.

During the year your Company has acquired two large groups of claims lying respectively East and West of the original holdings, and you now have an area of about 1,500 acres in a long band stretching East and West along the general ore zone of the region. These are large holdings, and as yet but little is known of their potentialities. It is known that the general mineralized zone extends nearly two miles (most of which is embraced in your holdings), and the zone may be much longer. Very little attention has as yet been given to much of the ground even within the known ore bearing zone. It will be some years yet before the full potentialities of your holdings can be seen with any clearness, as it is not feasible to spread the equipment and development work quickly over a large portion of the area. There has been acquired also a majority interest in the Solo Group of claims, containing a narrow vein of high grade ore.

The transportation situation between the railroad and the mine, both under winter and summer conditions, has been very greatly improved during this past year. Hauling of the large amount of equipment and supplies over the winter road this past winter was carried on with a maximum of despatch and smoothness. Everything for the mill construction and for the operation of the mine and mill for the coming year arrived at the property before the breakup.

The Manitoba Power Company, under long term contract with your Company, has erected a power line from its plant at Great Falls to the mine, capable of supplying not only the needs of your Company, but of others thereabouts. Normal progress on the construction of this line has been accomplished, and with the building of the sub-station at the mine and crossing the river at Great Falls this line will be ready to deliver power to the Company's property, some time prior, it is expected, to its need for milling purposes. The mine is fortunate in having abundant power in this region at a cost considerably lower than the cost to most of the other large operators in Canada.

The recent financing for the mill construction and working capital requirements of the Company was completely successful.

Attached hereto is the balance sheet of your Company as of December 31st, 1926. As the end of the fiscal year fell in a period when the material for the mill and for the 1927 requirements were just beginning to move forward, and the new financing had just commenced, there would be to-day considerable change in this statement. The cash in the Treasury of the Company is in excess of $350,000 with no accounts payable beyond current monthly wages, and in addition several hundred thousand dollars in value of machinery, equipment and supplies have been added to the property and paid for.

It is proposed that commencing to-day the mine management of your Company shall be taken over by Messrs. John Taylor & Sons, of London, Eng., one of the oldest and most successful firms of gold mine operators in the world.

Your Directors have regretfully accepted the resignation of Mr. Wentworth, who has been the President of your Company since its inception, to take effect to-day. As your property has now reached the operating stage, Mr. Wentworth has requested to be free, that he may continue to devote his time and energies to other pioneering work.

Respectfully submitted by the Board of Directors,
CENTRAL MANITOBA MINES, LIMITED,
Harry A. Wentworth, President.

MR. WENTWORTH'S ADDRESS TO THE SHAREHOLDERS

In moving the adoption of the Directors' Report by the shareholders, perhaps I may add a few remarks.

Because of the breakup it was not possible to bring the balance sheet up to the minute; but, as you will note from the Directors' Report, the Company is in excellent financial condition.

The property of your Company is very extensive, and I feel we know but little of its possibilities as yet, even though during the past year alone was done nearly a mile of underground work. A zone nearly two miles in known length, and in places three or four veins within the width of the zone, with work to date of any amount confined to a length of some 2,000 feet, shows in itself how little is actually known as yet of the ore potentialities of your holdings.

The underground development during the past six months has indicated a higher average grade of ore than we expected from the surface showings. A raise over 400 feet in length from the lowest level to the surface, in ore all the way—a drift of more than 1,200 feet continuously in ore—are indicative of what may be expected from individual ore shoots. A portion of this ground is blocked out; most of it is not as yet. As soon as the stopes are ready for production for the mill and the new electric equipment will permit work at greater depth, vigorous development will again proceed. The detailed geology of the region and the mode of occurrence of the ore bodies is not yet entirely clear, but each month is throwing more light on these matters, and the work is indicating the methods of approach for developing the ore at minimum cost. Our engineers, as well as I, myself, believe ore bodies in this zone will continue to be found to great depths, and that the gold production from these holdings will eventually be very large.

As many of you know, I have firmly believed for several years that Canada was just entering into a period of great mining activity and new development. This belief has been thoroughly borne out by the findings and developments of the past two or three years. In spite of these new finds and new developments, I feel that the movement is just getting under way, and I feel that ten years from now one will look back with astonishment at the change of mining conditions and activities in that period. In the year immediately before us I feel the greatest new Canadian activity is likely to be in that portion of the country embraced by Western Ontario and Central and Northern Manitoba. I look to see several large and important developments take place in this area within the next year or two. The Central Manitoba field, as I see it, is a portion of a general belt which is perhaps 200 or 300 miles long and a few miles broad, crossing this section from Lake Winnipeg to a point quite some distance East of the border. I feel that there should be more extensive study and attention given to the Central Manitoba field itself, to the end that several other possibilities of importance should be found in that area.

The local management of the work at your mine, under Mr. Stovel, has gone forward with astonishing smoothness. I say astonishing because it is really a surprise that we have not had more difficulties with labor and with the elements and the conditions generally at a point which was at the beginning so inaccessible. The improvement of transportation, by water, over the snow roads and by aeroplane, during the past year, has been greater than we expected. The local community is beginning to grasp the importance of the development of these mine fields near at home, and the Local Government has not only lent a very interested ear to our representations concerning the transportation problems, but has given aid in a very material and substantial way. I believe it is only a question of a relatively short time before the developments of Central Manitoba and in the sections generally contiguous thereto will warrant railroad construction. Other developments in the general area, I am told, are showing promise of important results, and I am sure I am right when I say to the business community of Winnipeg that they are well warranted in giving continuous and serious attention to the developments of this section Northeast of here, and of being ready to listen at all times to the men who are vigorously carrying on in that section.

I have spent three of the happiest years of my life in the development of the Central Manitoba Mines. The harmony and co-operation of all those connected with the Company and its activities from the beginning—and which still exist completely—the very pleasant contacts and charming friends made here in Winnipeg during this period, as well as the development of a real mine, has been to me a source of constant pleasure. The work I love—finding, putting together, organizing a new enterprise—is now over for Central Manitoba; and with Messrs John Taylor & Sons from now on meeting the technical problems and guiding the physical destinies of the property, I feel my services are no longer actively needed. I shall still remain, as a member of the W.A.D. Syndicate, deeply interested, not only in the progress and success of Central Manitoba Mines, but in the progress and future of Manitoba.

After the Annual Meeting the following officers were elected for the ensuing year.

HOWARD CLARK DAVIS, *Chairman of the Board*
ARTHUR D. MILES, *President*
T. CUTHBERT ANDERSON, *Vice-Pres. and Treasurer*
A. MURRAY S. ROSS, *Secretary*
AUGUSTE A. BOLTE, *Asst. Sec. and Asst. Treas.*
A. MURRAY S. ROSS, *Solicitor*
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Canadian Mining News

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Hollinger Has Piled Up Tremendous Hidden Asset in Mine Plant

For Dollar Expended Another Has Been Set Aside For Depreciation

OUTLOOK EXCELLENT

Costs Are Declining and Outlook is That Profits Will Go Up Very Materially

New interest is generally developing in Hollinger Consolidated Mines. For some time back the market for the shares has been quiet, but accumulation has been going on. Brokers are giving new attention to the issue, Moysey's market letter of last week pointing out that lower mining costs, now prevailing, should mean higher dividends. Hollinger ore in the past year averaged $8 per ton. It is doubtful if it will work much lower, and may average slightly higher. Costs were $3.94. To-day the tonnage is above the 1926 average, and well over 2,000,000 tons should be handled this year. If costs are maintained at an average of $3.50 for the year, $8 ore would give a profit of $4 on 2,000,000 tons or $9,000,000 profit compared with $8,025,000 in 1926. Hollinger last year earned 20c. per share above the $1.30 per share dividend requirements, and at that the millheads or average content of the ore per ton was low because considerable low grade from development was hoisted.

Hollinger last year showed a surplus of $10,170,842. In 1926 this had been piled up at the rate of about $35,000 monthly. This level at least has been maintained so that the surplus to-day will stand around $10,400,000.

What is Hollinger going to do with it?

Some point to Kamiskotia. If this operation pans out, Hollinger at the most will not require more than the monthly addition to its surplus to meet this expenditure. The only alternative would seem to be to pay part of it to shareholders. The surplus to-day amounts to over $2 per share.

Another thing Hollinger will hardly continue to plow such tremendous amounts into plant that it has in the past.

Soon large mill expenditures will ease. It is interesting to go over the Hollinger property account for years past, and note the huge write offs; earnings plowed into property account that have steadily piled up a huge hidden asset. To-day Hollinger carries its property at $22,493,785. It was $21,150,244 in 1916 to 1922 prior to taking over the Schumacher. Plant is carried at $283,604. From 1910 to the end of 1926, Hollinger had plowed back $7,891,697 into additional plant and meanwhile set aside $7,887,194 in depreciation. In other works Hollinger has mated dollar for dollar of expenditure with a dollar in depreciation. Meanwhile the old plant has been written off, though only the stamps were scrapped. It is interesting to note that the present book value, $287,000 covers all the new tube mills, tanks etc., underground equipment, drills etc. Jt would be surprising if the railway tracks underground were not worth the present book value alone.

The figures:

Years	Plant Additions	Depreciation Provision
1926	$ 835,207	$1,174,171
1925	630,276	1,051,185
1924	667,416	1,147,928
1923	793,600	907,040
1922	781,941	788,000
1921	482,791	627,481
1920	131,360	445,958
1919	338,162	600,000
1918	118,379	375,000
1917	673,238	100,000
1916	599,417	150,000
1910-15	1,839,910	520,481
	$7,891,697	$7,887,194

Besides this, investment in other companies are down to rock bottom; tailings disposal site is more than half covered and all development charges have been written off.

The figures:

	Inv. in other Companies	Years Additions	Deprec. Allow.
1926	$ 60,539	$ 8,200	$ 5,739
1925	49,968	15,080	4,509
1924	43,563	8,652	2,247
1923	44,513	2,620	3,570
1922	44,922	20,278	18,115
1921	40,002	8,472	3,551
1920	265,494	35,380	260,872
1919	118,583	....	....
1918	2,988	400	....
		$99,070	$298,603

	Tailings Site Book Value	Dep. Prov.
1926	$ 46,292	$12,625
1925	58,918	12,625
1924	71,543	12,625
1923	84,168	12,625
	$260,921	$50,500

Early development charges were long ago written off as the following table shows:

	Deb. Cost	Written off
1920	$ 408,250	$408,250
1919	1,038,122	629,872
1918	1,518,115	5,007
1917	131,224	....
1916	125,593	....
1910-15	155,645	379,346

Some idea of the value of Hollinger to the country is given in the table below showing taxes paid by the large operation since the date of consolida-

(Continued on page 35)

Principal Hollinger Statistics

	1926	1925	1924
Recovery per ton.	$7.99	$8.18	$8.09
All costs, per ton.	$3.95	$4.05	$4.46
Tonnage	1,932,559	1,929,988	1,659,475
Production	14,780,637	15,768,405	13,429,226
Other income	876,164	342,850	561,886
Total costs	7,630,879	7,829,028	7,404,898
Operating profit	8,025,921	8,300,227	6,586,215
Less taxes	633,706	693,246	318,377
Capital assets	22,874,055	29,130,874	28,766,494
Net cash assets	10,312,886	5,245,888	3,450,357
Plant additions	835,207	630,276	667,415
Dividends paid	5,805,600	4,378,810	3,198,000
Ore reserves	66,081,733	65,068,799	59,304,885
Employees	2,428	2,668	2,758

LARGE INCREASE IN HOLDERS OF NICKEL SHARES IN CANADA

Pres. Agnew Much Gratified to See Such a Widening Interest

International Nickel officials have not been able as yet to arrive at any definite figures in regard to the amount of stock that has been purchased in Canada or just what the total number of shareholders in Canada stands to-day.

J. L. Agnew, president of the Canadian company, states that they are much gratified to see such a large amount of the stock coming to Canada. He hopes that the Canadians will not get into the market at such a high level that they will not profit. He can see many benefits in having Canadians large holders of the company's shares.

International Nickel has evidently been watching the Canadian interest in their shares develop for as soon as buying of any quantity appeared, they immediately appointed the Toronto General Trusts as Canadian transfer agents.

Montreal was a big factor in the recent heavy purchases. It is a fact that up until a few months ago, Montreal had very little interest in "Nickel" shares. It only came into the picture during the last "bull" drive on the shares and undoubtedly Montreal buying was a large factor in the price advance.

Nickel shares this week fell off to 63 which is 12 points below the high level of a couple of weeks ago. This weakness is due to the erratic trend of the New York market. Students of the market, state that these little irregularities are to be expected at this season, but they are confident that there will be no general break in New York because money is too easy at the moment.

International Nickel is rushing its big shaft down and while it has not been announced at what horizon the first lateral work is to be done at, it is expected that in a couple of months time there will be sufficient information on hand to justify the company making some definite announcement in regard the Frood deposit.

Victoria Syndicate Has 5 Operations in B.C.

Annual report of Central Mining of South Africa tells shareholders of its subsidiary, Victoria Syndicate, quitting operations in Eastern Canada and concentrating in British Columbia. The report says:

"In Canada, the Victoria Syndicate, Limited, continued the examination of the properties held under option and accomplished a great deal of development work. As a result, it has been decided to abandon the claims and options held on properties in Quebec and Ontario, and to confine operations to certain properties in British Columbia. In this province development work is now being carried on in four areas, and a substantial interest has recently been taken in another property from which profitable returns are confidently expected."

PAWNEE SHAFT 375-ft.

The 500-ft. shaft which is being driven on Pawnee Kirkland in Lebel Tp., Kirkland Lake, has reached 375-ft. It is the intention to establish levels at 375 and 500 ft. levels. Levels have been established at 125 and 250-ft. and at the latter good values were secured.

ANNUAL REPORT OF MOND NICKEL MAY STIR UP LONDON

Fiscal Year Ended April 30 and Figures Should be Available Now

CANADIANS BUYING

Publication by The Post of Facts About Company's Position Caused Buying

The facts published by The Financial Post last week has resulted in the development here of a material interest in Mond Nickel. In the past, few shares have been held in Canada, though in England the company's securities enjoyed a wide market. The fact is that Canadians knew little about the company or its earnings. In England Mond is not listed as a mining venture, rather is it regarded as an industrial and so listed in stock market lists.

Mond's fiscal year ends April 30, and the report for the past year is due anytime. It is evident that in England there is no suspicion of the big developments that have been going on at the property. Stock Exchange Gazette, which is one of the best informed financial papers in London, has some comment on both Mond and International Nickel. No mention is made of the big mine developments. Commenting on Mond's impending report it says:

"Later this month we shall have Mond Nickel's figures for the year to April 30 last. On hopes of good results the shares have been bid up to 39s. Twelve months back their profits were substantially up, but the dividend was retained at 12½ per cent., less tax. While the coming figures will cover the whole of the coal strike period of last year, the increasing use of nickel for commercial purposes is a factor to be borne in mind in forecasting results. Reference was made at the last meeting to the policy of the directors in regard to the company's subsidiaries. In addition to articles manufactured of nickel, special attention is paid to nickel-copper and nickel-chrome alloys now playing an important part in metallurgy. That development should be reflected in the report."

In another part of the paper, it comments on International Nickel's rapid rise in the market and concludes with facts about Mond's dividend, showing that for the financial year just ending 12½ per cent. plus 5 per cent. interim, has been paid, or 17½ per cent.

It says:

"Quite a boom has been going on of late in America in the shares of the International Nickel Company, which have already about doubled in price this year from $38 to a new record of around $75. Nickel-steel alloys are a product of the closing years of last century, but since have come into constantly growing use for many purposes, and nickel itself now commands £170-£175 per ton. The latest story is that a new alloy has been perfected containing 40 per cent. of nickel, which is claimed to be ten to twenty times more efficient than the best previously developed electric transmission metal both for landwires and cables. The Sudbury district of Ontario, in which the International Nickel and the Mond Nickel companies' mines are situated, contains the world's largest known deposit of the metal, a war-time calculation being that it would ultimately yield over 150 million tons of ore. So far as I know there is no market in Internationals here, but there is quite a free one in Mond Nickels. They opened the year at 39s. 6d., and then went back to 37s. on the idea that the coal strike must have injured last year's results. They are now, however, 39s. 6d. again, and talked better on the impending report and meeting. For several years past the dividend has been maintained at 12½ per cent. per annum, and an interim 5 per cent. has already been paid for 1926."

For some days past, one large Toronto brokerage house has been filling orders steadily for Mond and it is understood that quite a number of shares have been purchased by one of the banks for clients. All buying is being done in London. The last order known of was filled at £2. 5s. for the £1 share or $11.25 per share which at the dividend rate of 17½ per cent. gives a yield of 7.7 per cent.

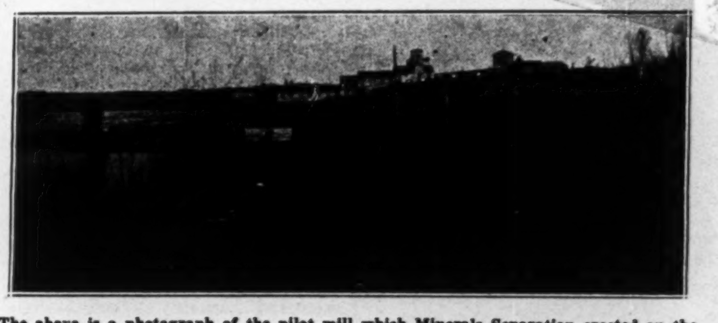
Another fact that stands out regarding Mond, is that while International Nickel market has gone up in anticipation of higher earnings from Frood ore, about three years hence, Mond Nickel is already treating Frood mine

(Continued on page 36)

Hollinger's Place Among Big Mines of World

Company	Ore milled 1914-15-16 Tons	Ore milled 1925-26 Tons	Yield per ton 1914-15-16 $	Yield per ton 1925-26 $	Oper. cost per ton ore 1914-15-16 $	Oper. cost per ton ore 1925-26 $	Cost per $ gold 1914-15-16 $	Cost per $ gold 1925-26 $
Hollinger, Ontario.	211,00	1,932,000	12.90	7.68	5.21	3.95	0.405	0.515
Alaska Juneau, Alaska	242,000	3,481,000	1.08	0.63	2.85	0.53	2.630	0.840
Homestake, S. D.	1,540,000	1,589,000	4.01	3.77	2.72	2.63	0.680	0.695
Portland, Colo.	72,000	208,000	23.70	7.78	15.60	5.72	0.660	0.736
North Star, Calif.	109,000	94,000	9.92	8.19	5.73	8.54	0.579	1.050
El Cro, Mexico	433,000	455,000	5.04	3.86	3.59	3.68	0.711	0.955
New Modderfontein, S. Africa	635,000	1,532,000	9.93	10.60	4.14	4.26	0.417	0.402
Gr. Boulder, Aust.	195,000	108,000	14.50	11.10	6.50	10.10	0.458	0.910
St. John del Rey, Brazil	187,000	115,000	12.50	12.75	7.20	10.55	0.575	0.825

Pilot Mill Testing Flin Flon Ores



The above is a photograph of the pilot mill which Minerals Separation erected on the Flin Flon property, 100 miles N.W. of The Pas, Northern Manitoba, to test out the process devised for handling the complex ores of the property. First tests are said to have been highly satisfactory but water conditions interfered, the organic matter in the water during the spring break-up having stopped the successful operation of the mill. As a result Mining Corporation, the principal vendors were asked for, and they granted an extension of 3 months to Dec. 1 to allow for further tests. It is said that there may be further extensions.

Rich Gold Strike in Nova Scotia

NEW GLASGOW, N.S.—Two prospectors, G. A. Cameron, of Eureka, and George Horne, of New Glasgow, have brought in five hundred pounds of gold bearing quartz which they valued at upwards of $1,000. They stated they had removed it indiscriminately from the general run of a new gold strike at Renfrew, Hants County. In the opinion of mining men the ore is of good grade. Horne said he thought it would probably mean the biggest gold strike ever made in the province.

Cameron and Horne, who have been prospecting for years, saw signs of the deposit last January and have since been working to develop it. Horne said they had enough ore in sight for two years' work.

HARVIE DISCOVERY DOUBLES ORE ZONE

Shareholders Notified of Important Development on Quebec Property

During the past 10 days important new discoveries have been made on the Harvie Exploration properties in Quebec. This information has been sent shareholders. Dr. Harvie says this information belonged to the shareholders as well as the management and the intimation is given that those on the inside felt that the news justified them in buying some additional shares on the open market. The company has no stock for sale.

Dr. Harvie says in his letter:

The past ten days have seen new discoveries made on our properties which, in my opinion, are of the greatest significance. They are in the southern group of claims. All of our previous discoveries and work have been in the northern half of our property. These new discoveries, therefore, practically double both the extent of our ore zones and the potential value of our holdings.

Such information as this, in my opinion, belonged to the shareholders, no less than to the management, and I had notices sent to all in order that they might know of both the opportunity and the action that I was taking.

Meanwhile in the four mining operations on the northern half of our property, work is being pushed as rapidly as possible. The hoist at the Ringrose having been repaired, work there on the cross cut has been begun.

The cross cut of the north drift on the Archean-Thompson is already underway and the cross cut on the southern at the same shift should be started this week. The adit on the Harvie is progressing according to schedule. We have passed the 600 foot mark and are nearing the big objective back of this undertaking.

Messrs. Alderson, Mackay & Armstrong will, I hope, have a preliminary outlay of the report on our properties ready in time for the shareholders meeting.

Two Good Copper Bodies Are Opened on Ribago

Considerable interest has developed in Ribago. It is understood that a report of the consulting engineer is expected soon and this will reveal some important news. Following diamond drilling, which gave inconclusive information. Sinking operations were started on two showings. On No. 2, the 25-ft. shaft has cut high grade, and both walls of the shaft are in ore. On No 1 Chalcopyrite which will assay high has been cut by the shaft.

Majestic Gold, Near Little Current, Resumes

MAJESTIC GOLD MINE in the Sudbury area, located at West River, near Little Current is being dewatered and the company will push development work under the supervision of a competent engineer.

An agreement to underwrite a block of shares to meet this expense having been concluded with a Toronto broker and a party is leaving this week for the property to make arrangements for beginning operations.

LONDONER HERE IN REGARD MERGER OF PORTLAND GROUPS

Interests in B.C. and National Silver—Two Proven Mines — Would Merge

During the past week a representative of London interests in control of the Portland Canal properties that figure in the talked of merger with Premier were in the city. They met O. B. Bush, the original vendor of the properties and who has still a material interest in some of these companies, and it is believed that he will go to New York to meet the Guggenheim people who control Premier.

In this connection there was some plain talk at the meeting of the Selukwe Co. in London. It controls B. C. Silver Mines which adjoins Premier on the North and in which Premier is a material shareholder. It also controls the Sebakwe Co. which controls National Silver and which adjoins B. C. Silver on the north. The talk is that these two properties, B. C. and National Silver, now under the same management, should amalgamate with Premier. The writer learned much of the difficulties in the way of the merger, while in the west. It may work out, however.

Both London controlled properties are looking well. The chairman of Seluwke company stated that a considerable reserve of milling ore had now been proved on both properties, the workings of which were being connected through No. 4 level, and good ventilation afforded by a raise through to No. 3 level of B. C. Silver. He complained that the Premier Gold Mining Company had not approached them regarding an amalgamation, though they were ready to deal, and were prepared to go so far as to write off the advances they had made for the development of B. C. Silver, amounting to something like $1,500,000. This charge against B. C. Silver has always been opposed by Premier as holder of a third unassessable interest in that property.

Premier, he said, has not contributed a dollar toward the development of their mine. It has always been recognized that an amalgamation of B. C. Silver with Premier was the logical course in the interests of both properties, as their workings are connected, while Premier has the mining, milling, and transportation equipment to serve both properties.

In the event of no deal being arranged, it was stated at the Selukwe meeting, that company would have to consider the installation of its own mill. The shareholders were given to understand that B. C. Silver and Sebakwe now constitute a practically proven mine, in which ore has been proved on their ground by Premier workings to a depth of 700 feet below the present development.

The latest report states that in the drift from No. 4 level on B. C. Silver there has been developed for 75 feet an ore-shoot averaging $20 a ton, with ore on both walls, while the ore-zone is 200 feet wide and affords further important possibilities. The shareholders were informed that the Sebakwe ore-zone is not, as was represented by former owners of the ground, a continuation of the Premier ore-zone, but a different thing altogether—probably another zone paralleling that on which Premier drove the No. 6 level from the Bunting tunnel.

MILL FOR BEARDMORE

It is reported that orders for a mill for Beardmore Gold Mines, at Beardmore, Ont., have been placed. It will be the first in the district.

KEELEY'S MAY OUPUT

During May Keeley Silver Mines produced 121,209 ounces of silver and 11,552 of cobalt.

NICKEL IS PRETTY WELL SATISFIED WITH FROOD MINE

Announce Big Electrolytic Copper Plant and Sell Caledonian Holding

CHANGE THE REFINERY

President Comments on Port Colborne Changes and the Enlarged Output

Keeping in mind the fact that any official pronouncement of the company must naturally, at this stage, be conservative if not ultra-conservative, one can get considerable grounds for optimism from the assertions of Pres. R. Stanley of International Nickel in regard the Frood Mine deposit.

In this connection it is to be noted that Mr. Stanley pointed out quite recently that diamond drill cores are not absolutely dependable. The company put down five holes that cut the Frood high grade below the 2,000-ft. level.

Yet in spite of this conservative attitude, the company has decided because of the Frood drill results to proceed with the erection of an electrolytic copper plant at Sudbury and in the annual report announces, that because of the development of huge reserves at the Frood mine, the company decided to dispose of its New Caledonia holdings.

Discussing the Frood in the annual report, Mr. Stanley said:

"As forecast in the last report your management has been actively engaged in the initial stages of development of the Frood Mine, where diamond drilling has developed further large reserves of high grade ore. The preliminary surface plant for sinking a permanent shaft on this property has been erected and sinking on the new shaft, begun in September, 1926, is progressing satisfactorily. To complete this shaft, erect the permanent surface plant and to develop the ore body sufficiently for mining operations, will require several years and involve a substantial capital expenditure. It is the intention of your management to bring this mine into production during this policy the Creighton Mine ore reserves will be available for an increasing output of monel metal for many years and the Frood ore, which carries much higher precious metal values than Creighton ore, will be refined for nickel. With its present refining process your company will recover the platinum metals from the Frood ore and in consequence will derive additional profit from this operation."

There has been much talk that the company might scrap its Coppercliff plant and erect a new one. Mr. Stanley's remarks above give no indication of such an intention. However, it is quite likely that the company will gradually change its Coppercliffe plant. This might come about by the gradual adoption of a complete electrolytic process of operation. It may be that the process of the British American Nickel, will be used.

The company has made important strides in its Port Colborne refinery, materially increasing its capacity and output and expects that it will be turning out 30,000 tons of 99-100% nickel this year.

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DUPRAT WIDENS SCOPE; TAKES 2 NEW GROUPS

Re-organization Under Way to Assist Financing of New Operations

Simultaneously with the announcement that Duprat Mines had acquired an important group of claims in Kamiskotia, comes news of a reorganization. This is designed by the directors to better handle the widening scope of the company's operations which now consists of three groups. The first group adjoined Waite-Montgomery and drilling cut disseminated copper at a depth of 500-ft. As it would be costly to develop this, the company has decided to wait the opening up of the Waite. A second group is well located in Montbray and now comes the report that an additional 4,000 acres adjoining has been taken in. Besides this on the advice of the company's engineer, Duprat secured 500 acres in the Kamiskotia area.

The reorganization will place 2,500,000 no par shares in the treasury and leave a much smaller amount of stock in the hands of the public which will make financing of the new operations much easier to accomplish.

Pres. Allan Campbell's letter follows;

A special general meeting of shareholders has been called for July 5.

Your company, as you are aware, was one of the original companies incorporated in North-western Quebec, and active development work has been carried on with a view to the proving up of your company's property in Duprat Township. The results were not sufficient to warrant the expenditure of further money at this time. As you were advised, diamond drilling revealed three separate ore bodies, but none of them carrying commercial ore, the widest having been encountered at a depth of approximately 500 ft. This showed a disseminated mineralization of 20 ft. running from 2% to 4% copper. Further developments failed to reveal commercial ore between the surface and a depth of 500 ft., consequently your management felt that it would be in the best interests of the company to expend the funds available for development purposes on other properties that appeared to have larger possibilities and await the results of the developments being carried on by the adjoining properties, namely, Waite-Montgomery and American Smelting & Refining Co.

Development work was therefore transferred to your company's Montbray holdings and at the same time your company also took under consideration the advisability of securing and developing other properties which had favorable indications. With the co-operation of J. C. Houston, E.M., several properties have been examined and your directors have taken an option on a block of ground in Montbray Township adjoining your company's present holdings, comprising approximately 4000 acres and a further block of ground in Kamiskotia area, comprising approximately 500 acres. Both groups have been examined by our engineer and reported upon favorably.

Montbray Township, as you undoubtedly well know, is and has been attracting great attention due to the very excellent results obtained by Nipissing and other large companies. The group of properties which your directors have taken an option on has very favourable geology and excellent surface showings.

The Kamiskotia section in Ontario, where Hollinger and some other big mining companies are carrying on large developments with excellent results is looked upon by some authorities as rivaling the great Rouyn fields of North-western Quebec. The claims under option to us are very close to the main workings of Hollinger and McIntyre.

Your directors feel that it is in the best interests of each and every shareholder and the company generally, to acquire these additional properties. To do so it involves a reorganization. This reorganization does not mean anything less for the shareholders as it is proposed to change the capitalization from 5,000,000 shares of $1.00 par value to 5,000,000 shares of no par value, (in a similar manner to Noranda Mines) and to exchange the present stock on a basis of one share of no par value for two shares of the $1.00 par value stock. This would leave your treasury 2,500,000 shares of stock and decrease the outstanding stock to half the number of shares that are at present in the hands of the public which would naturally increase the present market price of Duprat shares to double what it is today, thus leaving the shareholders in exactly the same position as regards the market value of their stock, and further we believe that through the acquisition of these other properties in Montbray and Kamiskotia and with a very extensive development campaign carried on this year, the value of Duprat shares would be increased materially in the open market.

Your directors have given this matter very careful and serious consideration and have consulted with J. C. Houston, your engineer, before taking any steps and are convinced that this is the best move for your benefit at this time.

It is most important that every shareholder be represented either in person or by proxy at this special meeting as it requires the vote of 66 2-3% of the outstanding capital stock of the company to ratify the action of your directors.

Every shareholder whether they have just a few shares or large number of shares, who is interested in the future of their company should give this matter prompt and immediate attention and forward their proxy by return mail if they find that it will be impossible for them to attend.

This reorganization is of the utmost importance as regards the welfare of Duprat Mines. With the acquisition of the additional properties referred to, the addition of 2,500,000 shares of stock in the treasury and with the present financial condition of the company which has a substantial cash balance in addition to $60,000.00 in first mortgage bonds, we believe that your company will be in a position to prove itself up in a very big way to the satisfaction of every shareholder both from the mining as well as the market standpoints.

Ratifying the action, therefore, of your directors will in our opinion do much to increase the market value of your holdings and at the same time insure continued development with a view to ultimate production.

Amulet Shares Were Active During Week

Amulet has been very much in the forefront. There have been all kinds of rumors and reports. One is that Area and Amulet will be amalgamated. Another is that there will be a reorganization of Amulet and that the stock will be increased with certain stock rights to shareholders. The market for these shares was quite active during the early part of the week, but there has been a severe reaction. There has been considerable news out in regard Amulet discoveries on surface and the market may do better this time than it did on the occasion of the last fiasco in this stock. The market at that time savored of manipulation and indications are not lacking that something of the kind is again taking place. If the shareholders are going to get rights, it will hardly be at $1 if the market for the present shares holds above the $2 level, yet such is one of the rumors going the rounds.

New Companies on Waite and Towagmac Groups

Keen interest is being taken in the report that a company will be formed in the near future on Waite-Montgomery. Noranda is now in control of this company, having taken over Mr. Timmins' interest. It is possible that Noranda will decide to offer a certain portion of these shares to the public. It would be a keen market stock.

Meanwhile it is expected that a new company will be organized on the Alderson MacKay property of Towagmac in which Noranda now holds a 65 per cent. interest and Towagmac a 35 per cent. interest. By an an agreement with Mr. Timmins, Towagmac gets the right to underwrite any stock that is offered the public in this venture and this creates an interesting situation here.

OPEN HILLTOP AT 800-ft.

Hilltop Mines will drive a long crosscut from the 800-ft. level of Gold Hill into its property on the west.

MINING STOCK QUOTATIONS

Week ending June 21.

	Par. Value	Div. Rate	Yield	High for week	Low for week	Close June 21.	Sales for week	Range, 1926 High	Range, 1926 Low	Range, 1927 High	Range, 1927 Low
Abana				68	60	60	3450			75	20
Aconda				22	16½	21	18800			45	16½
Allied M.				3.25	3.10	3.25	1950			5.51	2.70
Al. C. M.				4.07	3.70	4.07	6825			4.07	3.01
Amos										56	15
Amulet	1			2.78	2.00	2.45	761056	2.98	.90	2.89	.85
Algonquin	1			3½	3	3	21500	6¼	1½	5½	2
Apex	1			3	3	3	200	6	2¼	3½	1
Area	1			57	38	49	501880	1.55	.21	1.95	.25
Argo. Con.	1			34	28½	29	367300	67	18½	59	28½
Atlas	1			5	4¼	4¼	49700	5	1⅛	7	2
Archean				18	17	18	135			18	17
Ajax	1									39	6½
Andean										22½	15
Bard				1.25	.95	1.25	3700			1.59	.30
Baldwin	1			2½	2¼	2½	15500	6⅛	1	4½	2
Barry Holl.	1			34	32	32½	63975	1.00	.21	1.00	.25
Beaver	1			1.14	1.04	1.12	13350	.99	.51	1.22	.59½
Bellellen L.	1							23½	20	23½	3½
Bidgood	1			13½	13	13	3810	9¾	4½	13½	5
Boischatel				6	5	6	4300			27	3
Boston Creek	1							7½	2½	1	½
Bourlamaque	1							1.45	1.02	1.53	.50
Buckingham	1			4	3½	3¼	2000	7¾	2	9½	3½
Bunker H.				95	95	95	25			1.00	75¾
Calartic										1.00	.94
Can. Lorrain	1			23½	20	20	23800	93	57	72	20
Capitol S.	1			19	17½	19	11000	48½	24	34	15½
Capitol R.				18	16	17½	50800	43	26	54½	12½
Gen. Manitoba	1			1.60	1.53	1.58	17400			1.90	1.07
Castle Tre.	1			87	83	86	20780	1.85	.91	1.27	.80
Chaput H.	1			9	8	8½	17700	22	3¾	13½	4¾
Clifton	1			1½	1	1½	1500	6½	1	3½	1
Col. Kirk	1			2¼	2	2¼	80500	6¾	2	6	2
Coniagas	5			3.50	3.20	3.50	7.00	4.85	3.00	4.40	3.20
Coniaurum	5			3.00	3.00	3.00	410	4.60	3.00	3.50	2.80
Cons. Smelter	25	10+5	1.59	2.45	2.35	2.35	½4287	2.65	1.77½	2.64	2.35
C. W. Dome	1			7½	5½	6½	34900	29½	14	19	5½
Corona	1			16	12½	14½	73900	37½	20	27	11½
Copper Hill				57½	56	57	34700			57½	47
Comm. Mines				1.50	1.28	1.35	45750			1.50	.71
Crown Res.	1			13	12	12	56350	24½	8	15½	7
Coast Copper				17.25	16.00	17.00	455			22.00	16.00
Davidson	1							3	1½	3	1
Destor								41	40	43	40
Dorion				4.00	3.90	4.00	15.15			4.00	3.00
Dome Mines	None	$1	13.60	7.40	7.35	7.35	1157	20.00	8.00	10.85	7.35
Don Rouyn	1			26	22	26	45800	61	25	56½	17½
Duprey	1									10	10
Duprat	1			10½	9	9	89550	35½	8½	34½	7½
Dubec				1.03	.95	1.03	60125			1.03	.35
Dom. Lead				1.40	1.34	1.40	14500			1.40	1.05
D. Kirk				2	1½	2	12000			2½	1½
Dunwell Mines										1.51	1.50
Eastern M.				10.30	10.00	10.30	772			10.30	10.00
Everett	1			2¼	2½	2½	7500	12½	3¼	5½	2¼
Fiske				12	7	7½	3500	16	12	30½	5
Fisher, Que.	1			55	50	55	2500			85	50
Goldale	1			24½	22½	23	2800	43	24	30	20
Gold Hill	1			30	28½	30	40094	73½	25	54	26
Gold Reef	1							5	1	2½	1
Gifford	1									1¼	1
Gladstone	10									29	26½
Grover Daley	1			12½	11	11¼	38300	32	18	37	9½
Gold Ore				1.08	1.00	1.08	7100			1.08	.90
Harvie Exp.	None			15.10	14.00	14.50	17765			16.10	12.00
Hillcrest	100	6	10.00					65	55	65	60
Hillcrest, pref	100	7	8.23	85	85	85	10	83	79½	87	84
Haultain										15	14
Hill Top	1			14	11	14	59500	31½	20	24	10
Hollinger	5	26	6.66	19.90	19.50	19.75	7011	21.00	16.65	22.65	9.60
Howey Gold	1			70	68	68	7200			75	42
Huron				1.09	1.07	1.09	2845			1.09	1.02
Indian	1			6½	5	6½	3500	14½	2¼	11	4
Inter. Nickel	$25	$2	3.15	69⅛	63	63½	102873	46	32½	75	38
Jay Copper								1.10	.73	1.26	1.04
Keeley	1	24	18.89	1.30	1.26	1.27	3205	1.90	1.39	1.66	1.17
Keora Mines	1			3½	3½	3½	4750	22	11	12½	3½
Kirk. Hunt	1			17	15	16¼	36250	34	8½	35	14
Kirk. Lake	1			1.50	1.30	1.43	133039	1.44	.69	1.54	.82
Kamisko				9.10	8.75	9.06	1075			9.10	7.62
Lake Shore	1	40+10	2.56	19.85	19.50	19.60	3320	16.15	9.50	21.10	15.40
Lakeside L.	1			1¼	1	1	27000	10	1⅛	6	1
Laval	1			27½	23	25½	80170	45¾	21	55	19½
La Rose	1			6	6	6	1000	39	4	12	6
Lorrain, C.	1			2	1¾	1½	8000	15	2	3¼	1¼
Lorrain, T.L.	1			80	80	80	5300	1.10	.30	.86	.25
Lucky Jim										21	20
McDougall				50	34	37	123200			50	17
Marclay	1							35	30	42	34½
M'tchatell				39	35	37	71050			36	30
Macassa	1			26	24	26	12900	43	25	37	19½
McKinley	1			16½	15	15½	10250	26	8½	18	11
McIntyre	5	20	3.96	25.30	25.10	25.25	3215	29.75	22.70	27.50	24.00
Millcrest	1			6	5½	6	5700	21½	3½	6½	4
Mining Corp.	5	25	8.33	3.30	3.25	3.25	1416	4.45	2.60	3.65	2.90
Moneta	1			10¼	10	10¼	4000	18	11	14	8¾
Montreal Rouyn	1			14½	12¾	13½	19500	60	13	33	10
N. A. Dev.				1.60	1.20	1.20	22250			2.10	1.00
N.A. Lead				2.75	2.40	2.60	40715	1.75	1.50	2.75	1.71
Noranda	None			22.40	21.15	21.60	45925	24.75	12.00	25.00	19.95
Newray	1							45	31	34	28
Night Hawk	1			7	6	7	13600	17	3¾	10½	4½
Nipissing	5	6	4.68	6.50	5.35	6.40	14365	9.25	4.95	10.30	5.35
Ophir	1							4¼	½	4¾	1
Ontario, L. C.				1.22	1.19	1.21	5000			1.22	1.03
Osisko				50	48	48	11500	1.94	1.05	1.75	.40
P. L. Cobalt	1			5	3¾	3¾	3000	32	14½	18	3½
Porc. Crown	1			5	4½	5	12800	12	4	11	40
Prec. Met.				20.50	20.25	20.25	385			20.50	20.00
Pioneer	1			90	85	88	15950	1.22	.66	1.18	.85
Premier Gold	1	32	15.46	2.08	2.02	2.05	10425	2.75	1.83	2.30	1.86
Preston	1			4	4	4	200	9⅛	4	6	3
Potter Doal				22	17	21½	176400			65	17
Power & Mines				1.60	.75	1.50	1975			1.70	.75
Que. Pros.										6.00	3.95
Rouyn C.				4.28	4.21	4.28	1460			4.28	2.50
Rouyn	1			2	1½	2	8700	9	1⅛	5	1¼
Rouyn, Que.	1			1	1	1	500	4½	1¼	4⅛	1
Ribago	1			43	19	32	365300			87	13
Silver L.										1½	1
Siscoe				23	15	20	1150			25	15
South Keora	1							35½	5	64½	10
Stadacona	None			19¾	15	19	219700	51	40	55	15
St. Anthony				30	28	29	5500			37	10
Sylvanite	1			3.80	3.65	3.75	8775			4.30	2.60
Stadamac										38	36
St. L. Zinc				76	74	75	1600			76	72
Teck Hughes	1	10	1.27	7.85	7.60	7.85	29435	5.55	2.65	8.10	5.35
Timiskaming	1			5⅛	5	5⅛	1200	15¼	6	7	5
Thomp. Krist	1							3½	1	1	½
Tough Oakes	1			52	40	40	157200	66	36	62½	38
Towagmac	1			4.20	3.75	4.20	23358	6.10	3.15	5.75	2.85
Trojan				4.70	4.00	4.70	1800			4.70	4.00
United Cop.				5.12	4.70	5.00	20825			5.12	3.10
Vic. Silver	1			5	3½	4	26400	96	3⅛	14	3½
Vickers	1			40	40	40	2400	1.22	.13	1.52	.35
Vipond	1			100	90	91	15200	2.02	1.49	1.75	.90
Waite Mont										8.75	5.95
Wakenda	1			2½	2½	2½	2000	2¼	1	5	2
Wasapika	1			2	2	2	5000	4	1	2	1
West Tree	1			3	3	3	500	4	2	4	2
Wettlaufer	1			4	4	4	2000	10	2	4¼	2
Wigwam	1							32½	4	4	3
Wright Har, new				5.90	5.70	5.75	30015			6.65	5.70
Vac. Gas				13[illegible]	10½	13	4500			26	3

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Geologists Had a Hand in Locating Devenish Oil Well

Toronto, June 21, 1927.

Dear Mr. Cushing:

Will you please be good enough to give the following facts the same publicity that you have given to the statement that the Devenish location, for oil was "laughed at by the geologists?"

I take exception to that statement and wish to point out to you that this district was mapped as possible oil lands by Sir William Dawson, the greatest geologist Canada has ever had, and has since been mapped, in greater detail, by other government geologists and in 1914 was worked out very carefully for Mr. Devenish and his associates by Professor Kempher, who was head of the Geological Survey Department of the Mexican Government for over eight years.

A little over a year ago, Mr. Devenish was urged very strongly by a friend of mine, a geologist, to return to Alberta and drill in this district. He acted on the advice of this friend, came back to Alberta, secured the services of Professor Allan, head of the Department of Geology in the University of Alberta, who assisted him in making the location with the very satisfactory results that he has brought in one of the most important wells in the province.

It is only by our united efforts that this great development work can be carried on and I appreciate the fact that your paper so strongly supports the operator in his efforts to obtain sufficient production to at least take care of our own needs.

Yours sincerely,
JOE BIDDEUR.

CANADA THIRD IN PLATINUM OUTPUT

Big Production Comes From Residue of Nickel-Copper Ores of Sudbury

Finally revised statistics on the output of metals of the platinum group, as reported by the Mining, Metallurgical and Chemical Branch of the Dominion Bureau of Statistics at Ottawa, show that these precious metals were produced in 1926 only in the provinces of British Columbia and Ontario.

Canada, however, stands third in the world's production, larger amounts coming from Russia, and Columbia, South America. In British Columbia small quantities are found in placer deposits with alluvial gold and black sands; in Ontario these rare metals occur with the nickel-copper-sulphide ores of the Sudbury district. Copper-nickel matte containing the precious metals is made at Coniston by the Mond Nickel Company Limited and at Copper Cliff by the International Nickel Company Limited. The Mond matte is shipped to Clydach, Wales, for refining; International matte is shipped either to the United States, for the manufacture into monel metal, or to Port Colborne, Ontario, for refining. When the copper and nickel are removed, the residues are further refined for the recovery of gold, silver, platinum and palladium with smaller amounts of rhodium and iridium.

JOINS ASTORIA ROUYN BOARD

C. H. Carlisle, president and general manager, Goodyear Tire and Rubber Co., succeeds the late Sir John Willison as director on the board of Astoria Rouyn Mines.

LAVAL ADDS TO HOLDINGS

Laval Mines is reported to have secured an option on a group of claims adjoining Abana Mines in Northwestern Quebec.

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NORANDA IN NEED OF NEW FUNDS TO COMPLETE PLANS

Construction Cost Higher Than Estimates — Will Increase Capital

Noranda will increase its 2,000,000 no par shares to 2,250,000 shares. Share rights will be given shareholders. J. Y. Murdock, president, says the new funds will take care of the Waite-Montgomery and Alderson Mackay properties and further property developments. It is now expected to have Noranda's smelter ready before Sept. 30. Mr. Murdock's announcement which will likely be followed by a more detailed one later, follows:

"An arrangement has recently been made with Mr. N. A. Timmins and N. A. Timmins Inc., under which they will execute the options held by them on the Waite-Montgomery and Alderson-McKay properties in the Rouyn district, Quebec, forming companies to take over the ownership and operation of same. Shares representing approximately eighty-one per cent. of the former and seventy per cent. of the latter will be delivered to your company, and Mr. Timmins and his company are accepting Noranda shares in full payment. Reports on the operations to date show that a very considerable body of commercial ore has been located by diamond drilling on the Waite-Montgomery property and reports issued by the operators of the Alderson-McKay property state that diamond drilling and underground work performed thereon have disclosed a considerable amount of commercial ore and give much encouragement for future underground work which is now in progress. This purchase will result in a very considerable addition to the ore reserves controlled by your company. It is the intention to thoroughly explore these new properties for further ore bodies and to carry on an energetic development program with a view of putting them in shape to produce ore for the Horne smelter.

"The program of construction being carried out by the company's subsidiary, Horne Copper Corporation, consisting of the erection of a customs smelter of one thousand tons daily capacity, the equipment of the Horne Mine and the development of the form of Noranda is progressing very satisfactorily. The management expects, barring unforeseen contingencies, that it will be possible to start treatment of ore before the end of September. By this date also new development should be in progress on the fourth, fifth and sixth levels. It is now apparent that the cost of the construction program is going to considerably exceed the estimates made to your directors. In considerable part this additional cost is due to the desirability of reaching production at an early date necessitating very rapid drawing of plans and estimates and the commencement of construction work before the advent of the railway. Plant construction has been pushed ahead at extra cost through the winter months following a policy which your directors believe to be sound."

HOLLINGER HAS PILED UP A LARGE HIDDEN ASSET IN MINE PLANT

(Continued from page 33)

tion. It works out to the huge sum of $3,734,875 paid to the Dominion. Province of Ontario and the municipalities of Timmins and Tisdale Tps. Tax figures are:

	Dom. Tax Provision	Tails Paid Ontario	Tails Paid Municipal
1926	$ 381,346	$216,354	$ 36,007
1925	445,597	152,297	95,352
1924	187,000	50,142	81,236
1923	....	153,688	67,933
1922	352,960	110,987	54,277
1921	304,745	76,043	49,102
1920	112,657	66,927	46,356
1919	203,625	49,005	33,742
1918	82,404*	....	....
1917	184,130*	....	....
1916	144,063*	....	....
	$2,395,527	$875,443	$463,905

	Workmen Compensation	Insurance
1926	$159,492	$ 16,202
1925	207,999	15,007
1924	94,207	15,883
1923	79,867	17,727
1922	61,779	14,389
1921	56,904	12,952
1920	31,159	14,195
1919	20,172	15,127
1918	21,950	10,869
1917	29,365	8,525
	$763,894	$130,876

Hollinger seems to have devised a new way of handling donations. They are not detailed in recent reports.

	Donations
1923	$ 1,285
1922	7,575
1921	3,802
1920	1,959
1919	2,947
1918	4,850
1917	5,100
1916	.....
	$27,518

CONIAGAS TAKES OPTION

Coniagas Mines is reported to have secured an option on the Laidley Claims on east Clearwater Lake near the Narrows. It is understood that the find on this property is quite spectacular.

ADD TO HOLDINGS

Huronian Belt which has been doing some work on a group of claims in Clearwater Lake section has secured an option on three claims adjoining on the south.

Bought-Sold-Quoted

Blue Quartz
British Canadian
Canadian Associated Gold
Grozelle Kirkland
Pawnee Kirkland
Northland Gold
Kirkland Townsite
Goodfish

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May Gold Production and Tonnage Shows Increase

Producers do Much Better Than in April and Also Beat Out Average Month of Past Year—Two New Mills Start Production

May production of Northern Ontario Gold mines shows a material increase over April, the jump being $120,000. The increase is about $200,000 above the monthly average of last year, while the number of tons handled is 54,900 higher.

During the month too, new mills, Sylvanite, Kirkland Lake and Canadian Associated Goldfields, Lauder Lake started, but their output does not figure in the May returns to the Department of Mines.

The Figures:

Soucre and Period	Ore Milled Tons	Total Value Crude Bullion
Porcupine—		
Calendar year, 1926	3,189,.943	$23,810,700
Average per month	265,079	1,984,225
January, 1927	292,484	1,926,908
February, 1927	265,559	1,885,833
March, 1927	284,999	1,923,787
April, 1927	286,066	1,964,516
May, 1927	301,300	1,925,322
Kirkland Lake:—		
Calendar year 1926	515,124	7,193,411
Average per month	42,760	599,451
January, 1927	50,696	600,354
February, 1927	50,103	592,230
March, 1927	60,272	706,083
April, 1927	59,075	698,782
May, 1927	61,687	857,632
Miscellaneous—		
Calendar year, 1926	538	4,979
January to May, 1927	nil	nil
Total for Calendar year 1926	3,696,605	31,009,103
Average per month	308,050	2,584,092
Totals for—		
January, 1927	343,180	2,527,262
February, 1927	315,662	2,478,063
March, 1927	345,271	2,629,870
April, 1927	345,141	2,663,298
May, 1927	362,987	2,782,954

Hollinger's Electrical Survey is Important

Electrical surveys are coming into prominence in Ontario. The Schlumberger method is being employed on Hollinger's Kamiskotia area. This is the system which Sherwin F. Kelly introduced in Canada and the same apparatus is now being used in Sudbury basin on a lead-zinc prospect between National Lead and Bunker Hill holdings and also on a group adjoining Bunker Hill on the east. Dr. Lumberg has just completed a survey of Potter-Doal.

Considerable interest attaches to the Hollinger operation as it will go a long way in aiding the minister of mines, Hon. Chas. McCrea, and his aides, in determining whether to allow electrical surveys to apply on assessment work.

May be Other Bodies Rich in Copper That Are in the Discard

Study of the ore on the dumps of old nickel mines in the Sudbury nickel basin is going on. The idea is to see if there are any indications of a rich copper content in the ore at depth. This is suggested by the finding of a rich copper content in the ore of Frood mine at depth. That there may be other such ores has occurred to some, hence the close scrutiny of the old surface dumps. When these were piled, copper was not considered. Only ore carrying commercial nickel values was sought.

With the precious metals associated with the copper ores found on the Frood Mines, it is believed the mining of the copper will be more than paid for from the production of other minerals found in the ore. The probability of a large electrolytic copper smelter being established at Sudbury within the next two years, has opened up great possibilities for the district's many promising properties. Sudbury to-day is a centre for engineers of some of the largest mining concerns on the continent, who are anxiously awaiting an opportunity to secure ground in the basin where disclosures of base and precious metals have been made during the past year.

It is officially announced that the electrical survey on Potter-Doal property, Munro Tp., has been completed and that the principal kicks were secured a mile west of the original showings. Drilling has been resumed.

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"I remember" is the motto of the Province of Quebec—and no province has a more glorious tradition or record of industrial and commercial achievement to recall than has Quebec.
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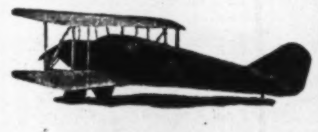

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ONE of the 62 Groups in the Rouyn Copper-Gold Area owned by Laurier Mines, Ltd., has already developed past the "prospect" stage. During the past few days an

IMPORTANT DISCOVERY

was made on a group in North-eastern Dufresnoy Township.

Read what the daily papers said about the find:

LAURIER MINES NEW DISCOVERY

Company Orders Diamond Drill Following Sensational Find

Rouyn, Que., June 7—Following a sensational discovery on one of the Laurier Mines, Ltd., blocks in north eastern Dufresnoy, an order was placed yesterday with a Toronto machinery house for a diamond drill for immediate delivery. An open cut shows a massive copper ore formation over 100 feet across and the first tent pit now at eleven feet, shows the value increases with depth. Pending the arrival of the diamond drill extensive surface work will be continued. A camp was opened on this property a little over a week ago under the management of J. C. Jessop and this will be enlarged to permit of extensive operation. The block appears on Laurier maps as number 41.

Laurier Mines, Limited

is making an aggressive development campaign on its 62 groups of properties.

A consulting mining engineer of international standing has been engaged to report on the properties and advise on development work.

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FISKE ENGINEER HAS PROGRAM OF WORK UNDERWAY

Company in Good Position and Properties Are Looking Up Better

At the annual meeting of Fiske Gold Mines, some interesting reports were presented by Sir George Foster, president, and by the company's engineer. A comprehensive plan of development has been mapped out and will be launched this summer on the company's various holdings. The reports follow:

The statement of the Secretary audited and certified by a Chartered Accountant shows that $24,410.39 have been expended on examination and development work during the year and $2,249.03, paid out for office work including rent salaries of secretary and typist, postage, telegrams, express, etc. This leaves still available on May 28th, $27,394.69, of which $23,907.00 is invested in interest bearing Dominion Bonds. No sales have been made during the year of Treasury Stock, the balance of which remains as held at the end of last year, viz., 2,515,000 shares.

Development work has been somewhat restricted and slow owing to difficulties of transport and the unusual conditions of heavy snows and the lateness of the spring opening. With all necessary camp equipments now completed, and the advent of railway facilities the conditions for more effective work have been greatly improved. It must also be remembered that the properties of the company including nearly 2,000 acres, distributed in different geological formations form a very large and extended area, to be examined and co-related for intelligent developments. This requires long and careful exploratory work.

The report of the Mining Engineer shows several substantial and encouraging leads upon some of which good commercial ores have been found.

The directors are impressed by the promising indications thus revealed, and are very hopeful that the further intelligent and careful development of these leads will in the near future justify the confidence and inure to the benefit of the shareholders who have invested their money in these properties.

Mr. Orser, the engineer in charge of development work was present in attendance and personally gave detailed explanations of all matters raised by the shareholders. The main features of his statement were that since assuming charge of Fiske Gold Mines, Limited, operations in August, 1926, there had been 100,000 square feet of land cleared and burnt for camp construction areas and fire protection. All necessary camp buildings to comfortably house and accommodate workmen have been constructed on Groups No. 1, 2, 3, and 4. A shaft has been sunk on No. 3, during the winter when surface work could not be carried on and 27,000 ft. of trenching has been done locating a number of substantial mineralized areas several of which contained ore of substantial commercial values. Some 10,500 feet of roads were cut to give access to the various camps while the ground was frozen, and are now available for summer use in carrying on development work.

The engineer's report shows and his verbal statements to the shareholders confirm, that 10 structures were found and opened up on Block No. 1, and in part of these pure calcopyrite has been uncovered. A bag of sample ore blasted from the main bodies was exhibited and declared by the engineer to be approximately 30% pure copper carrying also lead and zinc and some gold. He stated that the samples shown were equal in value to the ore found on the Horne Mine itself, and that when the Customs Smelter at Noranda was completed this ore could be profitably marketed at the smelter if found to exist in sufficient quantity.

Your Board of Directors have instructed the engineer to increase the number of men employed on development work upon Group No. 1, where these finds occurred, which property adjoins the well known Don Rouyn claims. This is being done to ascertain at the earliest possible date the extent of these rich commercial ore deposits.

It is less than two months since it was possible to do surface work and the results thus far obtained are very gratifying. Shareholders will be kept advised from time to time of further developments as they occur, and the public generally will be kept informed through the columns of the Financial Post concerning progress made in Fiske development.

SPECTACULAR FREE GOLD ON CONROYAL

Drift on 550-ft. Level Encounters Good Results—Will Diamond Drill at Depth

The situation at Conroyal mines, Lebel Tp., Kirkland Lake, is at an interesting stage. Recently in a drift on what started as a narrow stringer on the 550 ft. level, spectacular free gold was encountered. This drift is headed for a section where it will be under a strong showing cut by diamond drill at 200 ft. The stringer has widened and the blue quartz section is now 4 ft. with a rich pay streak in the centre. The drive is now along the porphyry-conglomerate contact.

The crosscut south from the shaft is being continued and it is proposed when the objective to the south is reached to diamond drill and cut the known ore body at depth. Meanwhile the diamond drill is working on surface just at the boundary of the Oswego and Kirk gold claims.

Some interesting news should be forthcoming shortly. The operation is looking very well and finances are in good shape.

HOWEY SHAFT DOWN 125-ft.

Howey Gold shaft is down 125-ft. and will be carried to 550-ft. with levels 125-ft. apart. The adjourned meeting will be held in Sept. and by that time some definite development news should be available.

HANDLE MINE PROMOTIONS

T. G. Ferris has opened an office in Metropolitan Bldg. and plans to handle mining promotions.

ANNUAL REPORT OF MOND NICKEL MAY STIR UP LONDON

(Continued from page 33)

ore from its Frood extension property. Only development ore is being raised, through the ore compartment of the shaft so far fitted up. The ore is not so rich as that which International cut below the 2000-ft. level, but it is much richer than the ordinary run of Sudbury ore and Mond is now drilling to locate the richer section at depth.

From remarks of Dr. Corless in regard to his report on ore reserves, it is expected that the shareholders in London will get an eye-opener in regard to the position of the company's affairs in Canada. Dr. Corless said that ore reserves were sufficient for 30 or 40 years operation. It is a safe guess that this is the minimum.

ONTABEC HAS NINE GROUPS OF CLAIMS SOLD OR OPTIONED

Company Has Large Holdings on Which Important Work is Being Done

The annual report of Ontabec Limited, a Quebec mining and development operation. It has nine groups of claims in Quebec sold or optioned. In addition it is steadily adding to its large holdings and carrying on their exploratory effort. A year ago the company held outright or under option 10 groups, 2,480 acres in N. W. Quebec. Since then this acreage has been steadily added to and now comprises 16 groups, 5,000 acres.

The various deals on these holdings may be tabulated as follows:

No.	Group	Aver.	Opened or sold to
1	Rouyn Tp.	80	Copperfields Dev. Co.
2	Boischatel Tp.	280	Kekeko Syn.
3-4-6	Rouyn Tp.	400	Hecla Copper Corp.
5	Rouyn Tp.	500	Stadamac Mines
7	Clericy Tp.	280	Harvie Exp. Co.
8	Rouyn Tp.	360	Copperfields Dev. Co.
9	Dufresnoy Tp.	400	Unsold
10	Dufresnoy Tp.	440	Unsold
11	Dufresnoy Tp.	200	Copperfields Dev. Co.
12	Dufresnoy Tp.	560	Unsold
13	Dufresnoy Tp.	160	Unsold
14	Joannes Tp.	400	Copperfields Dev. Co.
15	Joannes Tp.	600	Unsold
16	Poularies	440	Unsold

Numerous important discoveries have been made on these various properties. The report deals with these briefly and also outlines in many cases the nature of the sale made or option given on the various groups. The balance sheet shows assets of $931,720. The company has 938,298 shares of stock issued, and the report reveals how these were issued. The statement of assets did not include two payments made to the company on deals, $5,000 from Harvie Exploration and $1,000 from Stadamac Mines. Other payments to come in on deals are:

Company	Costs	Shares
Harvie Exploration ..	$55,000	Royalty
Stadamac Mines	49,000	250,000
Hecla Copper	24,000	200,000
Beverley Rouyn	54,000	500,000
Kikeko Mines	25,000	300,000

ENGINEERS JOIN SHRINE

A large party of Shriners, Rameses Temple, Toronto, goes to Haileybury this week for the summer ceremonial. There will be 100 candidates, mostly mining engineers. Illustrious Potentate W. E. Gillen leads the pilgrimage and other notables in the party will be Nobles Fred Verner, Lou Bowerman and W. H. Shaw.

CONTINENTAL'S LOSS

Operations of Menago Mines, Cobalt, by Continental Mines resulted in a loss to the company of $255,516. The company has spent $262,185 on its Kirkland Lake property.

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ARGONAUT'S PLANS ARE OUTLINED IN ANNUAL REPORT

Company Will Issue Block of Shares at 30c. and Open Mine at Depth

Argonaut Consolidated Mines shareholders are in receipt of the first annual report and an accompanying letter setting forth the details of the new financing. Capitalization will be raised from $3,500,000 to $5,000,000. Old shareholders will get the right to take up one new share for each 3 held at 30c. and this will involve 1,166,667 shares and leaves 333,333 shares in the treasury. The company has made a deal with a syndicate of brokers to take up at 30c. the balance of the shares which are not applied for by shareholders. This will give the company $349,999 and leave a sizeable block of shares in the treasury. The proposal is to use the new funds to open the mine down to 2,000 ft.

The report shows that aggressive effort is being made to open up a mine. Costs amounted to $339,722 or $9.68 per ton, while production amounted to $181,062 or $5.27 per ton, a loss on operation of $158,660. Development charges were heavy and liberal appreciation allowance has been made.

During the year 5,003 ft. of underground work was accomplished and 4,139 ft. of diamond drilling which opened out eight new ore bodies from the 815 to the 1022 levels. While this work was going on the company had to keep its mill going and this was undoubtedly a factor in keeping the average values down. The expectation is, however, that with the mine now well opened, the mill should soon show a profit.

The position of the company's bond indebtedness is of interest to shareholders. The total issued was $458,400. The company has sold a block of Laval shares and purchased $166,000 of the bonds in the open market. Bonds outstanding now total $292,400 and Pres. J. H. Rainville remarks, "accordingly, as an ordinary shareholder, you are practically relieved of this obligation." The balance sheet of Dec. 3 showed the company holding 1,400,000 shares of Laval. Mr. Rainville said:

"Although results to date are not of a profitable nature, we are confident that Argonaut is capable of developing into a paying property. For this reason we have undertaken to sink two more levels, 1,125 and 1,250, following successful diamond drill exploration. General formation and geological indications are also of a most encouraging nature.

"Acting on their faith in your property, your directors advanced $51,700 to the company against promissory notes as shown in the balance sheet, and work was carried on to date. However, other means of providing for your treasury will have to be decided upon. For this end, we propose to raise the capitalization of the company to 5,000,000 shares, thus adding 1,500,000 shares to the present capitalization.

"This will provide the funds required to complete the opening of the two new levels (1,125 and 1,250) and, furthermore, to deepen the mine to 2,000 feet, thus giving five more levels to work from. All this can be accomplished within reasonable time, since everything is in readiness at the mine to proceed with the operations."

Current liabilities stand at 72,244 and assets $78,517.

Some news of an interesting character should be forthcoming at the annual meeting in regard to the new levels, 1125 and 1250. The expectation is that 4 new ore shoots will be developed here. One has already been encountered.

Cummings Trudel Has Three Operations in Quebec

Cummings-Trudel Mining Co. resumed work on group 1, in Barraute Tp., one mile south of the C.N. Rly. near Amos, Que., and also on group 2, southeast of Kennedy Sladen and adjoining Fourniere Mining Co. properties in Fourniere Tp.

On group 1 additional trenching is being carried on over a wide sheared zone where several spectacular gold showings were found last fall. It is expected that more extensive ore bodies will be found with further trenching.

On group 2, surface work is being carried on, on several well mineralized bodies carrying gold values and very interesting results are expected for this group also.

Arrangements are being made to place a crew of men on group 3, adjoining Abana Mines, and on group 4, located southeast of the Thompson and O'Brien properties in Cadillac.

On group No. 3, stripping and trenching will be started from a gabro intrusive located about ¾ of a mile west of the granite. A few days of exploration made just recently has revealed very interesting ground to start work from.

Cons. W. Dome Decides to Offer All Treasury

Consolidated West Dome shareholders approved the reorganization with a capital of $7,000,000, of which 3,500,000 shares go to old shareholders on a 1 for 2 basis. This takes care of the 1,893,234 shares over-issued. Directors will buy 67,000 shares at 15c., netting the treasury $100,000, and 2,833,000 will be offered shareholders at 10c., netting $283,300, or in all $383,300.

BIDGOOD DEVELOPING

Dewatering of the underground workings of Bidgood property in Kirkland Lake having been completed, diamond drilling from the workings will now be undertaken.

NEW TIMMINS OFFICE

Homer L. Gibson & Co. have opened a new office in Timmins. C. E. Hall is manager.

WANTED

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At present the Syndicate owns 360 acres in the Kamiskotia copper-gold area of Northern Ontario, with options on other properties. Exploration work is being carried on by a competent staff, and in view of development in this and other well-known mining companies it is confidently expected that the Syndicate will be able to develop a number of valuable mining properties which can be disposed of on a profitable basis.

The offering of these units presents an opportunity to participate in an enterprise which has every possibility of being successful. It is in the hands of an engineer of 22 years' experience in various Northern Ontario camps and who stands high in the profession, along with a capable field staff.

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The Syndicate will explore and prove up these holdings.

It is the intention of the Syndicate to incorporate a development company under the same or similar name to operate these properties and the proposed PRO-RATA Division of Stock (of the company to be incorporated) amongst the HOLDERS of Syndicate shares is to be in the Proportion of 40 to 1.

The Syndicate reserves the right to accept part or all of any subscription.

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